



Final Service and Performance Plan

2022/23

Proserpine River Bulk Water Service Contract


20 July 2022

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At a glance


Our performance in 2020/21



Operating costs:
\$1.22 million (0.1% less than QCA target)


Sunwater has continued our focus on managing operational spending. This service contract is now serviced by 1.5 full-time equivalents, rather than two. Further, there were no adverse weather events requiring flood operational shifts/rosters or additional labour support from other regions.

Assets remained in a serviceable and reliable condition, with no unforeseen failures of assets in 2020/21.



Annuity-funded costs:
\$0.35 million (65.5% more than QCA target)

The cost variance was primarily driven by the input studies required to inform the comprehensive risk assessment of Peter Faust Dam, which were not part of the program of works assessed by the QCA.



Total water deliveries:
25,801 ML


Water delivered to irrigators: 20,459 ML



Service targets: Met

No exceptions


Outlook for 2022/23



Forecast operating costs:
\$1.61 million

Significant areas of expenditure budgeted:

- insurance (\$0.31 million)
- operations (\$0.80 million)
- preventative maintenance (\$0.26 million)
- corrective maintenance (\$0.22 million).



Forecast annuity-funded costs:
\$1.62 million

Key projects planned:

- a spillway stability assessment as an input into the 20-year dam safety review (\$1.19 million)
- guard valve 1 refurbishment at Peter Faust Dam (\$0.13 million)
- discharge regulator 1 refurbishment at Peter Faust Dam (\$0.13 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 Proserpine River 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 any identified refurbishment and corrective works identified through our annual and five yearly comprehensive inspections and all operational activities are implemented safely, timely and efficiently. We are also continuing to implement an efficient and effective maintenance program, with a focus on ensuring the storage assets continue to perform reliably.

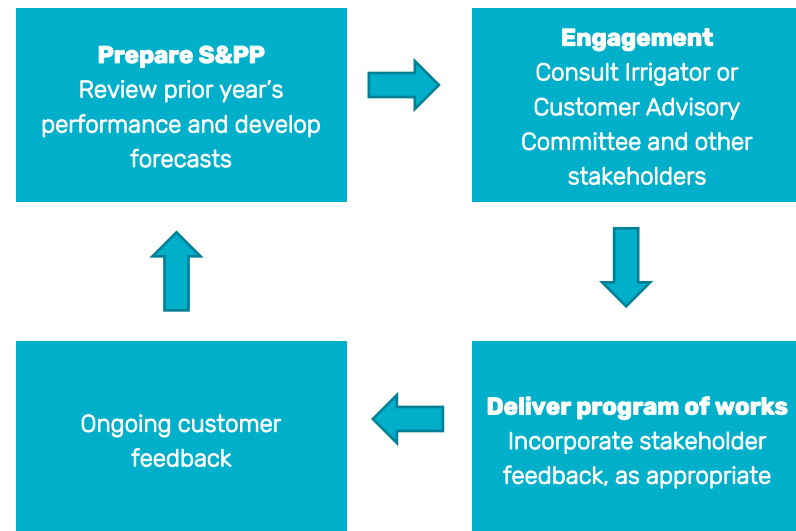
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 of sugar cane. Water is also supplied to the Bowen Regional Council, Mackay Regional Council, Whitsunday Regional Council, Wilmar (Proserpine mill), Myrtle Creek, Kelsey Creek Pipeline, and the Six Mile Creek Water Board.

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-A priority water allocations (ML)	Medium-A1 priority water allocations (ML)	Medium-A2 priority water allocations (ML)	Medium-A3 priority water allocations (ML)	Total water deliveries 2020/21 (ML)
Irrigation	40,817	0	27,817	3000	10,000	20,459
Urban	11,001	10,942	59	0	0	5045
Industrial	550	550	0	0	0	297
Sunwater	10,508	10,508	0	0	0	0
Total	62,876	22,000	27,876	3000	10,000	25,801

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	Allocation Charge – Part A	12.33	14.83
	Allocation Water – Part B	3.02	3.63
Kelsey Creek Water Board	Allocation Charge – Part A	12.33	14.83
	Allocation Water – Part B	3.02	3.63

- Includes the Queensland Government's 15 per cent discount for irrigation customers. Refer to www.rdmw.qld.gov.au for more information.
- 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 Proserpine River 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 5 days	3 weeks	0	0	0
	For shutdowns planned to be less than 3 days	7 days	0	0	0
Maximum number of interruptions	Planned or unplanned interruptions per water year	6	0	0	0

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%

- This target measures the percentage of 13 15 89 calls that are answered within 60 seconds.
- 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

Peter Faust Dam is the key infrastructure used to deliver bulk water services to our customers in Proserpine River. It is an earth and rock fill structure, with a total storage capacity of 491,000 ML. It is a referable dam under the *Water Supply (Safety and Reliability) Act 2008*.

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Proserpine River Bulk Water Service Contract is presented in Table 5.

The revenue Sunwater receives from urban and industrial customers is agreed by term contract. The revenue we receive from irrigation customers is determined by the Queensland Government, based on recommendations made by the QCA as part of its review of irrigation prices.

In 2022/23, Sunwater expects to spend \$501 million across all parts of our business, i.e. regulated and non-regulated. A breakdown of the forecast total cost pool at the direct and non-direct cost level is shown in Figure 2, together with the percentage of these costs allocated to the Proserpine River Bulk Water Service Contract. Details on the planned spend for this scheme are outlined on subsequent pages of this S&PP.

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

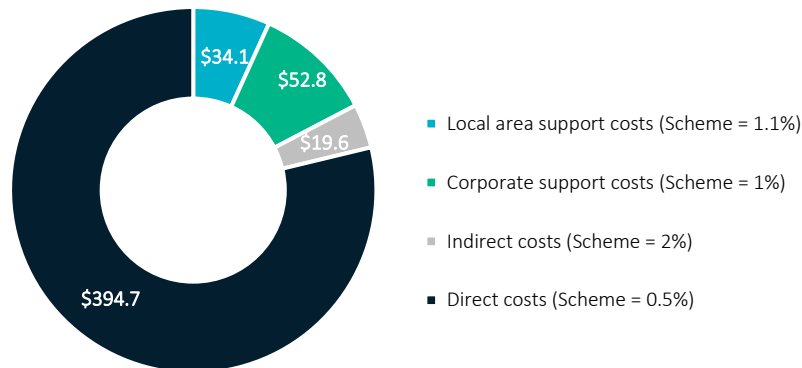


Table 5: Service contract financial summary

Proserpine River 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	591.0	550.3	561.7	639.8	543.9
Community Service Obligation	-	-	52.3	-	-
Industrial ¹	294.4	299.2	304.8	309.2	309.1
Urban ¹	2264.6	2299.3	2344.2	2374.9	2374.9
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other ²	217.6	222.3	226.0	224.3	224.3
Revenue total	3367.6	3371.1	3489.0	3548.3	3452.2
Less – Operating expenditure	1077.0	1361.4	1235.9	1427.2	1605.5
Less					
Annuity-funded	172.1	238.4	347.7	138.8	1621.7
Non-annuity funded	150.0	-	-	-	6.0
Surplus (deficit)	1968.5	1771.4	1905.4	1982.2	219.0

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- Revenue received from Whitsunday Regional Council for flood mitigation benefits provided by Peter Faust Dam.

Cost of delivering services—Operating expenditure

Operating expenditure includes funds for: operations activities, i.e. operations, electricity, and insurance; preventative maintenance; and corrective maintenance.

Table 6 sets out actual and forecast operating expenditure for the Proserpine River 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 in line with the QCA’s recommended cost target. Higher insurance costs and preventative maintenance costs were offset by lower operations and corrective maintenance costs.

Sunwater has continued to focus on operational spending, with the service contract now serviced by 1.5 full-time equivalent staff, rather than two. Further, there were no adverse weather events in 2020/21 requiring flood operational shifts/rosters or additional labour support from other regions.

Assets remained in a serviceable and reliable condition, with no unforeseen failures of assets.

Table 6: Operating expenditure¹

Proserpine River 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	826.5	1038.3	950.4	918.3	(32.0)	1103.5	970.4	1122.4	993.5	1178.3	1226.3	1276.6	1335.4
Electricity	-	-	8.1	0.4	(7.7)	7.7	8.2	4.0	8.3	4.1	4.2	4.3	4.5
Insurance	178.4	203.3	224.8	271.0	46.2	360.4	229.3	314.6	234.5	339.4	366.2	395.1	426.3
Operations	648.0	835.0	717.5	647.0	(70.5)	735.4	732.9	803.7	750.6	834.7	855.8	877.1	904.7
Preventative maintenance	214.6	220.2	198.5	233.8	35.3	207.7	202.8	264.0	207.8	272.5	280.0	286.7	296.6
Corrective maintenance	35.9	102.9	71.0	65.9	(5.1)	116.0	72.5	219.1	74.2	226.2	232.4	238.0	246.2
Operating costs total	1077.0	1361.4	1219.9	1218.1	(1.8)	1427.2	1245.7	1605.5	1275.5	1677.0	1738.6	1801.3	1878.2
Recreational facility costs ³				17.9		-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	1077.0	1361.4		1235.9		1427.2		1605.5		1677.0	1738.6	1801.3	1878.2

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

Proserpine River Bulk Water Service Contract's total operations budget in 2022/23 is 13.0 per cent above the QCA's recommended cost target. This variance is largely driven by higher insurance costs.

Insurance

Insurance is one of Sunwater's largest expenditure items. These costs have increased significantly in recent years due to multiple flood events in Queensland and global insurable events impacting premiums. Although Sunwater is subject to market forces in the pricing of insurance premiums, we have also been actively managing insurance premium costs by reviewing coverage levels and policy specifications (including deductibles) to ensure that our insurance coverage is appropriate and reflective of the risks faced by our business.

Our insurance broker has indicated that prior to the early 2022 flood events, premium increases were trending downwards from a peak in late 2020 (with some exceptions). However, with another significant natural disaster in Australia, this is now likely to change. Insurance premiums in 2022/23 are therefore expected to be higher than the QCA's recommended allowance and historical costs.

Preventative maintenance

The forecast preventative maintenance costs for the Proserpine River Bulk Water Service Contract are 27.1 per cent above the QCA's recommended cost target. Given the age of assets, the preventative maintenance regime has increased to ensure there is a reduced likelihood of asset failure.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$219.1k on corrective maintenance in the Proserpine River Bulk Water Service Contract. This is significantly above the QCA's recommended cost target, reflecting Sunwater's expectation that there will be a greater number of end-of-life asset failures in the future due to the age of the service contract's assets. Sunwater is committed to remedying any failure in a timely fashion, to ensure continuity and reliability of supply to our customers.

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

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

Non-annuity funded expenditure largely relates to Sunwater’s Dam Improvement Program and recreational facility costs.

Table 7 outlines our annuity and non-annuity funded expenditure for this service contract.

Table 7: Annuity and non-annuity funded expenditure^{1,2}

Proserpine River 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	-	-	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	172.1	238.4	210.0	347.7	137.6	138.8	263.4	1621.7	948.7	440.3	684.5	423.4	207.9
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	172.1	238.4	210.0	347.7	137.6	138.8	263.4	1621.7	948.7	440.3	684.5	423.4	207.9
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	6.0	-	-	18.6	25.9	46.8
Metered offtakes and dividend reinvestment	150.0	-	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	150.0	-	-	-	-	-	-	6.0	-	-	18.6	25.9	46.8

1. Sunwater’s 2022/23 to 2026/27 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Forecast annuity-funded costs from 2020/21 exclude recreational facility projects.
3. The annuity-funded spend for 2018/19 reflects the QCA’s 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater’s actual costs.
4. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations.

Our performance in 2020/21

Performance against the QCA target

Sunwater updates our program of works based on our whole-of-life replacement and maintenance strategy, which looks at the risk and condition of each asset and uses this information to estimate the future work required to ensure the asset will continue to provide the required level of service into the future. Other factors such as changes in project delivery timing (e.g. due to weather) may also affect the program of works.

These factors mean the actual program of works delivered in any given year will differ to the program assessed by the QCA. At a project level, cost variances may also occur due to changes in the scope of work and cost inputs.

In 2020/21, total annuity-funded costs were higher than the QCA's recommended cost target. While there was an increase to the number of work items and the spend across those work items varied, the higher costs were primarily driven by the input studies required to inform the comprehensive risk assessment of Peter Faust Dam, which were not included in the 2020/21 program of works assessed by the QCA.

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 undertake a spillway stability assessment and refurbish guard and discharge valves at Peter Faust Dam.

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

Asset management and planning improvements

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

- improve our predictive maintenance and asset condition reporting arrangements to better inform the timing of asset replacement
- review our cost estimation approach and ensure that asset values are based on modern equivalent replacement values where appropriate
- develop transparent guidelines for options analyses.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 remote dashboards. The SAP Analytic Cloud should also allow asset condition data to be trended over time. This will present asset condition decay curves which can be used to predict when an asset should be

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

Cost estimation approach

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

Sunwater undertook an asset valuation exercise in 2021 to estimate the value of fully replacing high value assets including dams and pipelines using a bottom-up assessment of material line items. This data informs the replacement values underpinning forecast annuity-funded costs outside of the immediate program of works.

Options analyses

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

Low value, low complexity work follows a standard work management methodology and is managed at a service contract level. High value, high complexity work is managed at an individual level and is subject to an options analysis. High value, high complexity work will also be assessed against the relevant criteria to determine if it meets Sunwater’s project, program, and portfolio management framework (P3MF) for project management guidelines.

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

Annuity balance

Annuities are managed by Sunwater on behalf of each service contract. They allow for customer charges to reflect a constant amount necessary to recoup the costs of refurbishment/replacement of the assets over a pre-determined period of time. The forecast annuity balances, and the impacts of budgeted spend, are shown in Table 8 below.

The QCA and Sunwater closing balances differ due to differences in the expenditure profile allowed by the QCA in its 2020–2024 final recommendations and actual expenditure incurred by Sunwater in 2019/20 and what we expect to spend thereafter.

Table 8: Annuity balance

Proserpine River 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	(561.8)	(564.4)	(628.3)	(555.6)	(235.4)	(1365.9)	(1360.6)	(1472.8)	(1325.4)
Spend ²	(172.1)	(238.4)	(347.7)	(138.8)	(1621.7)	(440.3)	(684.5)	(423.4)	(207.9)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution ³	211.5	216.8	447.8	483.3	501.5	505.3	631.8	635.2	673.3
Interest/financing costs	(42.1)	(42.3)	(27.5)	(24.3)	(10.3)	(59.7)	(59.5)	(64.4)	(57.9)
Sunwater – Closing balance	(564.4)	(628.3)	(555.6)	(235.4)	(1365.9)	(1360.6)	(1472.8)	(1325.4)	(917.9)
QCA – Closing balance	(564.4)	(819.6)	(617.7)	(424.7)	(890.5)	(825.7)			
Difference	-	191.4	62.1	189.3	(475.4)	(534.9)			

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

Appendix 1—Historical water usage

The below table contains the scheme’s recent water use, together with the 19-year average for the 2002/03 to 2020/21 period.

Year	Usage (ML)
2010/11	6285
2011/12	20,313
2012/13	22,810
2013/14	22,624
2014/15	36,424
2015/16	30,747
2016/17	15,393
2017/18	24,380
2018/19	27,168
2019/20	27,753
2020/21	25,801
19-year historical average	26,849

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

Proserpine River 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	826.5	1038.3	950.4	918.3	(32.0)	1103.5	970.4	1122.4	993.5	1178.3	1226.3	1276.6	1335.4
Labour	133.9	205.9	137.2	131.1	(6.1)	152.8	140.3	177.0	143.9	182.3	187.8	193.4	199.2
Contractors	25.6	12.4	46.0	17.2	(28.8)	30.0	46.9	20.0	48.0	25.7	26.4	27.1	27.9
Materials	1.9	1.2	10.1	4.0	(6.1)	5.0	10.3	5.0	10.5	5.1	5.3	5.4	5.6
Electricity	-	-	8.1	0.4	(7.7)	7.7	8.2	4.0	8.3	4.1	4.2	4.3	4.5
Insurance	178.4	203.3	224.8	271.0	46.2	360.4	229.3	314.6	234.5	339.4	366.2	395.1	426.3
Other	130.2	188.6	126.0	161.7	35.7	139.3	128.5	160.9	131.4	163.6	168.5	173.1	176.2
Local area support costs	111.3	128.7	97.5	70.0	(27.5)	99.4	99.6	115.1	102.0	118.5	122.1	125.8	129.5
Corporate support costs	123.7	162.7	106.0	116.0	10.0	145.2	108.3	168.2	110.9	173.2	178.4	183.7	189.3
Indirect costs	121.5	135.4	194.8	147.0	(47.9)	163.8	199.0	157.6	203.8	166.2	167.4	168.6	177.1
Preventative maintenance	214.6	220.2	198.5	233.8	35.3	207.7	202.8	264.0	207.8	272.5	280.0	286.7	296.6
Labour	55.9	64.4	51.2	62.0	10.8	50.5	52.4	70.0	53.7	72.1	74.3	76.5	78.8
Contractors	26.5	20.6	25.7	10.9	(14.9)	28.0	26.3	28.0	26.9	28.8	29.6	30.4	31.2
Materials	3.1	1.1	4.6	0.7	(3.9)	3.0	4.7	3.0	4.8	3.1	3.2	3.3	3.3
Other	3.0	1.8	4.6	13.1	8.6	11.0	4.6	11.0	4.7	11.3	11.6	11.9	12.3
Local area support costs	49.3	39.8	36.4	37.0	0.6	32.8	37.2	45.5	38.1	46.9	48.3	49.7	51.2
Corporate support costs	49.2	49.8	39.6	61.1	21.5	48.0	40.4	66.5	41.4	68.5	70.5	72.7	74.8
Indirect costs	27.7	42.6	36.5	49.0	12.5	34.3	37.3	40.0	38.2	41.9	42.5	42.3	44.9
Corrective maintenance	35.9	102.9	71.0	65.9	(5.1)	116.0	72.5	219.1	74.2	226.2	232.4	238.0	246.2
Labour	4.4	21.3	7.8	6.5	(1.3)	25.6	8.0	59.0	8.2	60.8	62.6	64.5	66.4
Contractors	18.0	31.7	33.2	17.6	(15.6)	20.0	33.9	20.0	34.7	20.6	21.1	21.7	22.3
Materials	0.5	1.9	9.0	12.1	3.1	3.0	9.2	3.0	9.4	3.1	3.2	3.3	3.3
Other	0.2	4.2	3.9	14.3	10.4	9.0	4.0	9.0	4.1	9.2	9.5	9.8	10.0
Local area support costs	5.6	13.4	5.5	3.8	(1.8)	16.7	5.7	38.4	5.8	39.5	40.7	41.9	43.2
Corporate support costs	4.3	17.0	6.0	6.4	0.4	24.3	6.1	56.1	6.3	57.7	59.5	61.2	63.1
Indirect costs	2.9	13.4	5.5	5.2	(0.4)	17.4	5.7	33.7	5.8	35.3	35.9	35.7	37.9
Operating costs total	1077.0	1361.4	1219.9	1218.1	(1.8)	1427.2	1245.7	1605.5	1275.5	1677.0	1738.6	1801.3	1878.2
Annuity-funded costs													
Labour		27.3	13.9	23.0	9.1	6.9	13.2	271.6	158.9	73.7	114.9	71.4	35.0
Contractors		101.5	145.2	240.4	95.2	80.0	151.8	298.7	174.8	80.9	125.7	77.9	38.1
Materials		44.4	17.6	29.2	11.6	31.0	58.9	298.7	174.8	80.9	125.7	77.9	38.1
Other		7.5	1.7	2.8	1.1	5.0	9.5	162.9	95.3	44.1	68.6	42.5	20.8
Local area support costs		18.5	7.5	12.5	4.9	4.5	8.6	176.5	103.3	47.9	74.7	46.4	22.7
Corporate support costs		20.9	13.3	22.0	8.7	6.6	12.5	258.0	150.9	70.0	109.1	67.8	33.2
Indirect costs		18.1	10.7	17.8	7.0	4.7	8.9	155.3	90.9	42.8	65.8	39.5	19.9
Annuity-funded total¹	172.1	238.4	210.0	347.7	137.6	138.8	263.4	1621.7	948.7	440.3	684.5	423.4	207.9
Total costs²	1249.1	1599.7	1429.9	1565.7	135.8	1566.1	1509.0	3227.2	2224.2	2117.3	2423.1	2224.7	2086.1

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 Proserpine River Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Peter Faust Dam	Study – comprehensive risk assessment.	289	298	This project was undertaken broadly in line with the forecast.
Proserpine River	Replace – customer meters.	49	45	The market value of procured goods was lower than anticipated.
Scheme	Study – asset revaluation.	31	2	The asset revaluation was not undertaken as part of the annuity-funded program of works.
Multiple	Various projects.	39	2	Three projects were deferred to 2021/22 and the service contract's contingency amount of \$12k was not required.
2020/21 Total		408	348	

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

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	Peter Faust Dam	Study – spillway stability assessment as an input into the 20-year dam safety review, a regulatory requirement to better understand asset condition and risk.	1194
	Peter Faust Dam	Refurbish – guard valve 1 (blast, paint, seals, bearings, body, and flanges) based on known asset condition and age.	132
	Peter Faust Dam	Refurbish – discharge regulator 1 (blast, paint, seals, bearings, body, and flanges) based on known asset condition and age.	132
	Scheme	Replace – customer meters to Australian Standard (AS) 4747 to meet regulatory compliance.	72
	Kelsey Creek Pipeline	Refurbish – offtake pipework (blast and paint).	48
	Proserpine River	Install – new river monitoring stations at two locations.	24
	Kelsey Creek Pipeline	Replace – supervisory control and data acquisition (SCADA) computer and software based on known asset condition and age.	20
		2022/23 Total	
2023/24	Peter Faust Dam	Refurbish – discharge regulator 2 (blast, paint, seals, bearings, body, and flanges) based on known asset condition and age.	144
	Peter Faust Dam	Refurbish – guard valve 2 (blast, paint, seals, bearings, body, and flanges) based on known asset condition and age.	144
	Scheme	Replace – customer meters to AS4747 to meet regulatory compliance.	73
	Peter Faust Dam	Study – remote operated vehicle inspection of the spillway flip bucket gallery to mitigate known safety risk.	17
	Scheme	A contingency amount for unplanned works.	62
		2023/24 Total	
2024/25	Kelsey Creek Pipeline	Refurbish – 900 mm diameter guard valve based on known asset condition and age.	175
	Peter Faust Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	114
	Peter Faust Dam	Refurbish – outlet works dissipater chamber concrete repairs and reinstatement.	114

Year	Facility	Activity description	Forecast \$'000
	Scheme	Replace – customer meters to AS4747 to meet regulatory compliance.	76
	Kelsey Creek Pipeline	Refurbish – 600 mm diameter regulator valve based on known asset condition and age.	63
	Kelsey Creek Pipeline	Refurbish – protection works at 556 m and 630 m based on known asset condition and age.	43
	Peter Faust Dam	Replace – water level gauging recorder based on known asset condition and age.	37
	Multiple	There are four other annuity-funded projects planned for 2024/25. These projects include refurbishment of a bulkhead gate at Peter Faust Dam; refurbishment of electric piezometers/instrumentation panel and a main distribution switchboard; and new gauge boards.	62
	2024/25 Total		684
2025/26	Peter Faust Dam	Refurbish – embankment crest access road based on known asset condition and age.	117
	Peter Faust Dam	Refurbish – outlet works hydraulic system based on known asset condition and age.	65
	Peter Faust Dam	Refurbish – various sections of fencing at the site based on known asset condition and age.	58
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	41
	Peter Faust Dam	Refurbish – regulating valve 1 actuator hydraulic ram/cylinders based on known asset condition and age.	32
	Peter Faust Dam	Refurbish – regulating valve 2 actuator hydraulic ram/cylinders based on known asset condition and age.	32
	Multiple	There are three other annuity-funded projects planned for 2025/26. These projects include refurbishments at Peter Faust Dam of the embankment crest road guard rails; valve house ladders, platforms, and handrails refurbishments; and valve house structure refurbishments.	78
	2025/26 Total		423
2026/27	Peter Faust Dam	Refurbish – operations access roads and tracks.	80
	Peter Faust Dam	Replace – outlet works control system and equipment.	47
	Kelsey Creek Pipeline	Replace – flow meter at 116.0 m.	35
	Peter Faust Dam	Refurbish – outlet works monorail crane.	27
	Peter Faust Dam	Replace – outlet works building ventilation fan.	19
	2026/27 Total		208

Contact us

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