



Final Service and Performance Plan

2022/23

Three Moon Creek Bulk Water Service Contract





11 August 2022

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At a glance

Our performance in 2020/21

 <p>Operating costs: \$0.84 million (32.3% more than QCA target)</p> <p>Key drivers for this cost variance:</p> <ul style="list-style-type: none"> • higher insurance costs • higher operations labour associated with non-direct costs. 	 <p>Annuity-funded costs: \$0.65 million (715.9% more than QCA target)</p> <p>Key drivers for this cost variance:</p> <ul style="list-style-type: none"> • construction of emergency accommodation at Cania dam (76k) • comprehensive risk assessment input studies (37k) • refurbishing the inlet towers handrails and ladders (106k).
 <p>Total water deliveries: 8973 ML</p> <p>Water delivered to irrigators: 8694 ML</p>	 <p>Service targets: Met</p> <p>No exceptions</p>

Outlook for 2022/23

 <p>Forecast operating costs: \$0.81 million</p> <p>Significant areas of expenditure:</p> <ul style="list-style-type: none"> • insurance (\$0.19 million) • operations (\$0.52 million). 	 <p>Forecast annuity-funded costs: \$0.08 million</p> <p>Key projects planned:</p> <ul style="list-style-type: none"> • replace customer meters, as required (\$0.05 million) • install new storage rack for the trash rack lifting frame at Cania Dam (\$0.03 million).
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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 Three Moon Creek 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 efficiently delivering water to customers, in accordance with the scheme’s service targets and operating rules and ensuring Cania Dam and scheme infrastructure is maintained to appropriate standards.

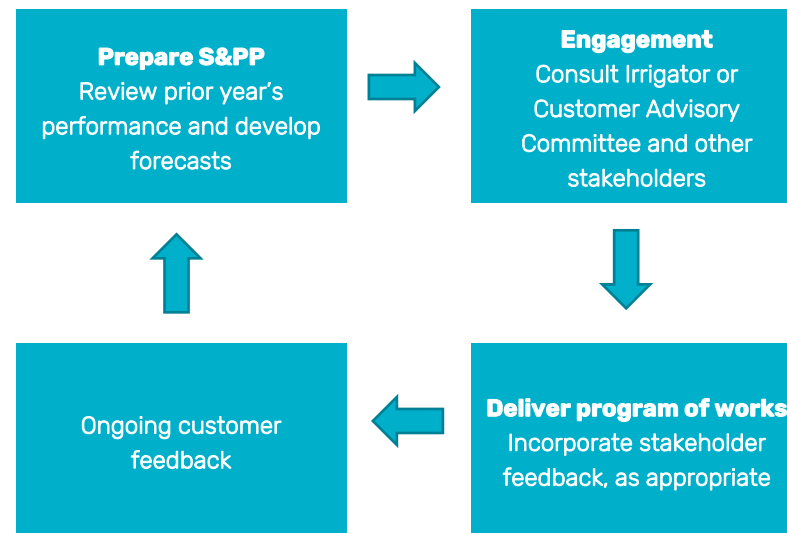
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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

Most customers on Three Moon Creek use water for agricultural purposes including winter and summer cereal cropping, lucerne production, dairy, and piggeries. The North Burnett Regional Shire Council also draws water to supply the rural townships of Monto and Mulgildie.

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	14,114	0	14,114	8694
Urban	410	380	30	279
Industrial	0	0	0	0
Sunwater	410	0	410	0
Total	14,934	380	14,554	8973

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
Three Moon Creek	Allocation Charge – Part A	26.15	53.31
	Allocation Water – Part B	4.25	6.32

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. 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 has company-wide customer interactions service targets. Our performance in 2020/21 against these service targets is shown in Table 3.

Table 3: 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 4 lists the key infrastructure used to deliver bulk water services to our customers in Three Moon Creek.

Table 4: Key infrastructure

Asset	Description	Total storage capacity (ML)
Cania Dam	Earth and rock fill dam with an impervious core, and an unlined spillway. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	88,500
Mulgildie Weir	Concrete.	333
Alvis Weir	Cascading sheet piling with selected infill and reinforced concrete slab covers.	250
Youlambie Weir	Sheet piling with grouted rock infill and an anabranch weir.	143
Bazley Weir	Sheet piling with reinforced concrete infill slabs.	75
Monto Weir	Sheet piling with rock mattresses to protect the weir's abutments and downstream banks.	27

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Three Moon Creek 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 Three Moon Creek 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)

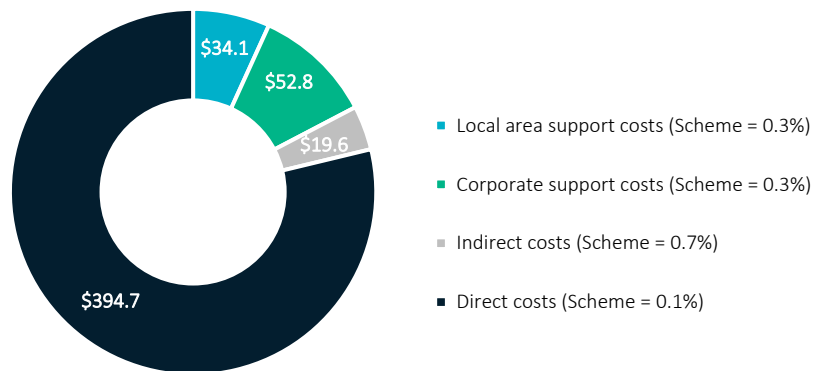


Table 5: Service contract financial summary

Three Moon Creek 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	372.8	384.7	374.5	468.4	398.3
Community Service Obligation	-	-	385.4	-	-
Industrial ¹	-	-	-	-	-
Urban ¹	59.8	60.2	60.9	93.0	62.8
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	6.8	6.7	6.6	1.0	1.0
Revenue total	439.4	451.6	827.2	562.4	462.1
Less – Operating expenditure	696.9	734.7	837.9	819.3	811.5
Less					
Annuity-funded	305.5	901.3	652.8	252.8	79.7
Non-annuity funded ²	6.0	7.0	-	-	-
Surplus (deficit)	(569.0)	(1191.4)	(663.5)	(509.8)	(429.0)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- This is expenditure which has not been funded by irrigation customers.

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 Three Moon Creek 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. The driver for this increase was higher insurance and operations costs. Additional operations labour associated with non-direct costs contributed to this variance.

Table 6: Operating expenditure¹

Three Moon Creek 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	545.8	528.1	462.1	682.6	220.6	690.6	471.6	707.3	482.7	739.7	767.8	797.8	836.6
Electricity	8.8	5.7	21.0	3.1	(17.9)	10.0	21.3	3.0	21.6	3.1	3.2	3.3	3.3
Insurance	108.7	124.0	136.9	164.9	28.1	219.4	139.6	188.1	142.8	203.0	219.0	236.2	254.9
Operations	428.3	398.5	304.2	514.6	210.4	461.2	310.7	516.2	318.3	533.6	545.7	558.3	578.4
Preventative maintenance	140.4	165.2	134.2	126.2	(8.1)	92.3	137.2	63.1	140.5	65.1	66.9	68.5	70.8
Corrective maintenance	10.7	41.4	37.2	29.1	(8.1)	36.4	38.0	41.1	38.9	42.4	43.5	44.6	46.1
Operating costs total	696.9	734.7	633.5	837.9	204.4	819.3	646.8	811.5	662.2	847.2	878.3	910.9	953.5
Recreational facility costs ³				-		-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	696.9	734.7		837.9		819.3		811.5		847.2	878.3	910.9	953.5

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. 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

Three Moon Creek Bulk Water Service Contract's total operations budget in 2022/23 is 46.5 per cent above the QCA's recommended cost target. This variance is largely driven by increased insurance (see below), labour and non-direct costs. Some of the increase in operational costs can be attributed to the rebalancing of resources between operations and preventative maintenance. Sunwater will continue to seek efficient ways to deliver operations activities, with a view to aligning with the QCA target.

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 Three Moon Creek Bulk Water Service Contract are 55.1 per cent lower than the QCA's recommended cost target. This is because of a rebalancing of resources assigned to perform preventative maintenance and operational activities.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$41.1k on corrective maintenance in the Three Moon Creek Bulk Water Service Contract. This is broadly in line with the QCA's recommended cost target (5.5 per cent above).

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}

Three Moon Creek 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	305.5	901.3	80.0	652.8	572.8	252.8	119.9	79.7	44.6	82.3	403.2	844.7	1641.8
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	305.5	901.3	80.0	652.8	572.8	252.8	119.9	79.7	44.6	82.3	403.2	844.7	1641.8
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Metered offtakes and dividend reinvestment	6.0	7.0	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	6.0	7.0		-		-		-		-	-	-	-

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. This was primarily driven by carry-over projects and one which was not part of the program of works assessed by the QCA, including:

- construction of emergency accommodation at Cania dam (76k)
- roll over of the comprehensive risk assessment study (37k)
- refurbishing the inlet tower handrails and ladders (106k).

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 install a new storage rack for the trash rack lifting frame at Cania 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

Three Moon Creek 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	(1143.2)	(1386.1)	(2268.8)	(2472.5)	(2259.6)	(1844.7)	(1409.7)	(1402.6)	(1835.8)
Spend ²	(305.5)	(901.3)	(652.8)	(252.8)	(79.7)	(82.3)	(403.2)	(844.7)	(1641.8)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	28.9	-	-	-	-	-	-	-	-
Annuity contribution ³	119.4	122.4	548.3	573.8	593.4	597.9	472.0	472.8	478.6
Interest/financing costs	(85.6)	(103.8)	(99.2)	(108.1)	(98.8)	(80.7)	(61.6)	(61.3)	(80.3)
Sunwater – Closing balance	(1386.1)	(2268.8)	(2472.5)	(2259.6)	(1844.7)	(1409.7)	(1402.6)	(1835.8)	(3079.4)
QCA – Closing balance	(1386.1)	(2201.9)	(1829.8)	(1455.9)	(970.8)	(480.2)			
Difference	-	(67.0)	(642.7)	(803.7)	(873.9)	(929.6)			

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	1660
2011/12	3991
2012/13	4073
2013/14	6546
2014/15	5491
2015/16	6635
2016/17	6994
2017/18	4833
2018/19	7707
2019/20	8825
2020/21	8973
19-year historical average	6059

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

Three Moon Creek 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	545.8	528.1	462.1	682.6	220.6	690.6	471.6	707.3	482.7	739.7	767.8	797.8	836.6
Labour	105.0	109.8	59.2	128.4	69.3	103.9	60.5	126.8	62.1	130.6	134.5	138.6	142.7
Contractors	4.5	4.0	4.8	2.7	(2.0)	9.5	4.9	6.0	5.0	6.2	6.3	6.5	6.7
Materials	4.0	3.8	1.2	5.1	4.0	-	1.2	-	1.2	-	-	-	-
Electricity	8.8	5.7	21.0	3.1	(17.9)	10.0	21.3	3.0	21.6	3.1	3.2	3.3	3.3
Insurance	108.7	124.0	136.9	164.9	28.1	219.4	139.6	188.1	142.8	203.0	219.0	236.2	254.9
Other	65.8	61.8	47.6	61.3	13.7	66.7	48.5	67.9	49.7	68.9	69.9	71.0	74.0
Local area support costs	68.0	58.4	25.0	69.8	44.8	63.4	25.6	77.0	26.2	79.3	81.7	84.1	86.6
Corporate support costs	94.0	84.3	45.7	120.8	75.1	98.7	46.7	120.5	47.8	124.1	127.8	131.6	135.6
Indirect costs	86.9	76.3	120.7	126.4	5.7	119.1	123.3	118.1	126.3	124.7	125.5	126.5	132.7
Preventative maintenance	140.4	165.2	134.2	126.2	(8.1)	92.3	137.2	63.1	140.5	65.1	66.9	68.5	70.8
Labour	44.3	52.8	42.1	36.4	(5.7)	25.3	43.1	17.0	44.2	17.5	18.0	18.6	19.1
Contractors	8.2	2.8	7.1	-	(7.1)	7.0	7.3	7.0	7.4	7.2	7.4	7.6	7.8
Materials	0.5	3.0	0.7	0.2	(0.5)	-	0.7	-	0.8	-	-	-	-
Other	2.0	4.4	3.8	4.6	0.8	3.0	3.9	3.0	4.0	3.1	3.2	3.3	3.3
Local area support costs	28.4	26.6	17.8	20.3	2.4	15.9	18.2	10.2	18.7	10.5	10.8	11.1	11.5
Corporate support costs	34.6	40.5	32.6	36.1	3.5	24.0	33.3	16.2	34.1	16.6	17.1	17.6	18.2
Indirect costs	22.3	35.0	30.0	28.6	(1.5)	17.2	30.7	9.7	31.4	10.2	10.3	10.3	10.9
Corrective maintenance	10.7	41.4	37.2	29.1	(8.1)	36.4	38.0	41.1	38.9	42.4	43.5	44.6	46.1
Labour	3.5	11.1	7.3	3.0	(4.3)	7.3	7.5	9.0	7.7	9.3	9.5	9.8	10.1
Contractors	-	1.4	8.3	11.4	3.1	8.0	8.4	8.0	8.6	8.2	8.4	8.7	8.9
Materials	0.5	3.6	7.3	5.6	(1.7)	5.0	7.4	5.0	7.6	5.1	5.3	5.4	5.6
Other	1.0	4.0	0.4	1.7	1.3	-	0.4	-	0.4	-	-	-	-
Local area support costs	0.0	5.8	3.1	1.7	(1.4)	4.4	3.2	5.4	3.2	5.6	5.7	5.9	6.1
Corporate support costs	3.4	8.7	5.7	3.2	(2.4)	6.9	5.8	8.6	5.9	8.8	9.1	9.3	9.6
Indirect costs	2.3	7.1	5.2	2.4	(2.8)	4.9	5.3	5.1	5.5	5.4	5.5	5.4	5.8
Operating costs total	696.9	734.7	633.5	837.9	204.4	819.3	646.8	811.5	662.2	847.2	878.3	910.9	953.5
Annuity-funded costs													
Labour		94.2	9.2	75.4	66.2	31.1	14.8	13.5	7.5	13.9	68.2	143.6	278.6
Contractors		578.8	43.3	353.7	310.3	65.0	30.8	14.8	8.3	15.2	74.7	156.8	303.5
Materials		32.5	4.7	38.6	33.9	74.1	35.1	14.8	8.3	15.2	74.7	156.8	303.5
Other		12.6	1.5	12.1	10.7	13.2	6.3	8.1	4.5	8.3	40.7	85.5	165.5
Local area support costs		48.0	5.1	42.0	36.8	18.8	8.9	8.1	4.5	8.3	40.9	86.2	167.2
Corporate support costs		72.7	8.9	72.8	63.8	29.6	14.0	12.8	7.2	13.2	64.8	136.4	264.7
Indirect costs		62.5	7.1	58.2	51.1	21.1	10.0	7.7	4.3	8.1	39.1	79.4	158.9
Annuity-funded total¹	305.5	901.3	80.0	652.8	572.8	252.8	119.9	79.7	44.6	82.3	403.2	844.7	1641.8
Total costs²	1002.3	1636.0	713.5	1490.7	777.2	1072.1	766.7	891.2	706.8	929.5	1281.4	1755.6	2595.4

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 Three Moon Creek Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Cania Dam	Study – comprehensive risk assessment (CRA).	215	252	This project was completed broadly in line with the forecasted budget.
Mulgildie Weir	Repair – downstream right-hand concrete and rock protection.	159	63	This project commenced in 2019/20, with construction spanning two financial years.
Cania Dam	Install – adequate accommodation for staff at the dam during flood events.	100	176	The scope of works increased to include an expanded site area and unplanned replacement of services and some structural aspects. ⁴
Cania Dam	Refurbish – inlet tower metal work on the lower-level handrails and ladders.	63	106	The storage level was lower than expected, requiring a change in access and equipment resulting in higher costs.
Scheme	Replace – customer meters.	42	41	This project was completed within budget.
Multiple	Various projects.	81	12	The cost variance was driven by: <ul style="list-style-type: none"> the refurbishment of a trash rack lifting frame being completed \$2k under budget the asset revaluation not being undertaken as part of the annuity-funded program of works (\$27k less) the deferral of works to replace a refill valve (\$8k less). The replacement valve was purchased and will be changed out when the storage level reaches a lower level. the service contract's contingency budget of \$25k not being required the completion of the arc flash study being carried over to 2021/22 (\$6k less).
Multiple	Various projects.	-	2	Expenditure relates to the 20-year dam safety review and meter replacements undertaken in 2019/20.
2020/21 Total		660	653	

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

⁴ Sunwater plans to apply a negative adjustment in the 2022/23 financial accounts to remove the costs associated with this project from the Three Moon Creek Bulk Water Service Contract.

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.	50
	Cania Dam	Replace – install new storage rack for the trash rack lifting frame based on known condition and age.	30
	2022/23 Total		80
2023/24	Scheme	Replace – customer meters based on known asset condition and age.	52
	Cania Dam	Study – options for replacing electrical cabling.	19
	Cania Dam	Study – 10-year crest survey to understand the potential for a dam overtopping.	12
	2023/24 Total		82
2024/25	Cania Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	157
	Cania Dam	Replace – cables and cableways based on the outcomes of the options study. Covers design and procurement.	62
	Scheme	Replace – customer meters based on known asset condition and age.	53
	Cania Dam	Refurbish – lighting and power at the outlet building based on known asset condition and age.	25
	Cania Dam	Study – options to replace upstream rock protection (rip rap).	106
	2024/25 Total		403
2025/26	Cania Dam	Replace – upstream rock protection based on known condition and risk (Stage 1).	643
	Cania Dam	Refurbish – embankment crest based on the outcomes of the crest survey.	32
	Cania Dam	Replace – cables and cableways based on the outcomes of the options study. Covers installation and commissioning.	79
	Scheme	Replace – customer meters based on known asset condition and age.	54
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	36
	2025/26 Total		845
2026/27	Scheme	Study – comprehensive weir inspections to understand current condition.	103
	Cania Dam	Replace – hydraulic settlement gauge boards, survey posts and electric settlement instrument based on known condition.	215

Year	Facility	Activity description	Forecast \$'000
	Youlambie Weir	Refurbish – left and right abutment structures based on current known condition.	133
	Cania Dam	Refurbish – spillway crest concrete and spillway chute rock walls (left and right).	398
	Scheme	Replace – customer meters based on known asset condition and age.	56
	Cania Dam	Refurbish – trash rack based on known condition and risk.	28
	Cania Dam	Refurbish – fences, gates and grids based on known condition and risk.	46
	Cania Dam	Refurbish – upstream rock protection based on known condition and risk (Stage 2).	663
	2026/27 Total		1642

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.