



Final Service and Performance Plan

2022/23

Boyne River and Tarong Bulk Water Service Contract

28 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 16

At a glance

Our performance in 2020/21



Operating costs:
\$1.14 million (21.7% more than QCA target)

The key drivers of the cost variance were higher insurance costs and corrective maintenance costs due to extensive repairs to one of the water release conduits at Boondooma Dam.



Annuity-funded costs:
\$0.25 million (672.5% more than QCA target)

Sunwater undertook several projects that were not part of the 2020/21 program of works assessed by the QCA, including updated hydrology studies at Boondooma Dam to inform the comprehensive risk assessment and a refurbishment of guard valve 2.



Total water deliveries:
12,336 ML

Water delivered to irrigators: 0 ML



Service targets: Met

No exceptions

Outlook for 2022/23



Forecast operating costs:
\$1.30 million

Significant areas of expenditure:

- insurance (\$0.51 million)
- operations (\$0.51 million)
- preventative maintenance (\$0.17 million).



Forecast annuity-funded costs:
\$0.19 million

Key projects planned:

- replace customer meters, as required (\$0.07 million)
- design and install new access platform to the outlet building sump pump (\$0.06 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 Boyne River and Tarong 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 Boondooma Dam are implemented safely, timely and efficiently.

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

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

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

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

Figure 1: Customer consultation and S&PPs



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

Email: sppfeedback@sunwater.com.au

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

Delivering services to our customers

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

Our customers

Most customers in this scheme are irrigators who grow a range of different crops including pecans, grain fodder crops and blueberries. The Boondooma to Tarong Pipeline also provides water supplies to the Tarong Power Station and to the towns of Kingaroy and Wondai.

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 data¹

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2020/21 (ML)
Irrigation	9142	0	9142	0
Urban (Tarong Pipeline)	1825	1825	0	1866
Industrial (Tarong Pipeline)	30,470	30,470	0	9352
Industrial (excl. Tarong Pipeline)	343	0	343	0
Sunwater (excl. distribution losses)	5	5	0	0
Sunwater distribution losses	1620	1620	0	1118
Total	43,405	33,920	9485	12,336

1. Includes Tarong Pipeline.

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
Boyne River and Tarong	Allocation Charge – Part A	24.29	18.22
	Allocation Water – Part B	1.57	2.05

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 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 Boyne River and Tarong 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	Unplanned shutdowns will be fixed so that at least partial supply can be resumed	48 hours	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%

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

Boondooma Dam is the key infrastructure used to deliver bulk water services to our customers in Boyne River and Tarong. It consists of two rock fill concrete-faced embankment sections, with a spillway cut through rock in the left bank. The total storage capacity is 204,200 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 Boyne River and Tarong 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.

Sunwater anticipates a decrease in revenue for the Boyne River and Tarong Bulk Water Service Contract in 2022/23.

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 Boyne River and Tarong 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)

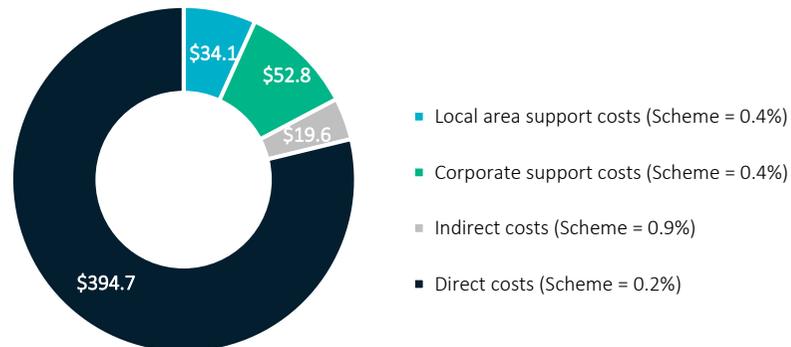


Table 5: Service contract financial summary

Boyne River and Tarong 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	261.9	263.7	260.7	270.4	229.8
Community Service Obligation	-	-	-	-	-
Industrial ¹	25.3	30.4	35.8	41.3	41.3
Urban ¹	-	-	-	-	-
Revenue transfers ²	999.1	734.8	1031.5	1238.2	1121.0
Drainage	-	-	-	-	-
Other	3.6	0.0	0.2	1.0	1.0
Revenue total	1289.9	1028.9	1328.1	1550.9	1393.1
Less – Operating expenditure	912.6	890.4	1139.9	1252.9	1302.8
Less					
Annuity-funded	440.6	190.6	250.1	398.0	191.9
Non-annuity funded ³	-	3.2	13.1	-	-
Surplus (deficit)	(63.3)	(55.4)	(75.0)	(100.0)	(101.5)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- Revenue transfers represent the cost of bulk water supplies delivered through the Tarong Pipeline. The revenue accrues to the Tarong Pipeline before it is transferred to the Bulk Water Service Contract as a contribution to the cost of the bulk water service.
- This is expenditure which has not been funded by irrigation customers. An example of this in the Boyne River and Tarong Bulk Water Service Contract is recreational facility projects from 2020/21.

Cost of delivering services—Operating expenditure

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

Table 6 sets out actual and forecast operating expenditure for the Boyne River and Tarong 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 primarily driven by higher insurance costs. Corrective maintenance expenditure was also well above forecast due to costs associated with extensive repairs to one of the water release conduits at Boondooma Dam.

Table 6: Operating expenditure¹

Boyne River and Tarong 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	800.8	786.2	835.4	939.6	104.2	1092.6	852.8	1028.2	873.0	1087.2	1142.9	1202.6	1272.7
Electricity	-	1.7	-	2.0	2.0	-	-	2.0	-	2.1	2.1	2.2	2.2
Insurance	301.2	354.2	379.4	471.7	92.3	627.6	387.0	512.0	395.9	552.4	595.9	642.9	693.6
Operations	499.6	430.2	456.0	465.9	9.9	465.0	465.8	514.2	477.1	532.8	544.9	557.5	576.8
Preventative maintenance	98.8	90.1	85.7	98.8	13.1	132.3	87.5	171.2	89.7	176.8	181.6	185.9	192.5
Corrective maintenance	12.9	14.2	15.8	101.6	85.8	28.0	16.1	103.4	16.5	106.8	109.7	112.3	116.2
Operating costs total	912.6	890.4	936.8	1139.9	203.1	1252.9	956.4	1302.8	979.2	1370.8	1434.2	1500.8	1581.4
Recreational facility costs ³				-		-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	912.6	890.4		1139.9		1252.9		1302.8		1370.8	1434.2	1500.8	1581.4

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

Boyne River and Tarong Bulk Water Service Contract's total operations budget in 2022/23 is 17.8 per cent above the QCA's recommended cost target. This variance is largely driven by increased insurance costs (see below).

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 Boyne River and Tarong Bulk Water Service Contract are 91.0 per cent above the QCA's recommended cost target. This is because of an increased frequency of statutory inspections of equipment including cranes, leading to increased labour costs.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$103.4k on corrective maintenance in the Boyne River and Tarong Bulk Water Service Contract. This is significantly above the QCA's recommended cost target, due to increased direct labour costs and associated non-direct charges. Sunwater will aim to minimise the level of expenditure above the QCA's target.

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}

Boyne River and Tarong 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	-	2.3	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	441.5	188.3	32.4	250.1	217.7	398.0	183.8	191.9	16.4	372.4	391.6	190.1	102.1
Unplanned corrective maintenance	(0.8)	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	440.6	190.6	32.4	250.1	217.7	398.0	183.8	191.9	16.4	372.4	391.6	190.1	102.1
Non-annuity funded													
Dam Improvement Program	-	-		-		-		-		-	-	-	-
Recreational facility projects				13.1		-		-		-	-	-	-
Metered offtakes and dividend reinvestment	-	3.2		-		-		-		-	-	-	-
Non-annuity total	-	3.2		13.1		-		-		-	-	-	-

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 a project to carry out updated hydrology studies at Boondooma Dam to inform the comprehensive risk assessment (\$154.1k) and the refurbishment of guard valve 2 (\$41.5k). These projects were not part of 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 replace customer meters and undertake an options analysis for the replacement of pipe sections upstream of the guard valve at Boondooma 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

Boyne River and Tarong 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	(40,675.2)	(44,116.4)	(47,593.0)	(47,479.9)	(47,510.4)	(47,337.2)	(47,306.2)	(46,691.4)	(45,850.9)
Spend ²	(440.6)	(190.6)	(250.1)	(398.0)	(191.9)	(372.4)	(391.6)	(190.1)	(102.1)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	28.1	-	-	-	-	-	-	-	-
Annuity contribution ³	17.9	18.4	2444.1	2443.4	2442.4	2473.0	3074.8	3072.1	3072.8
Interest/financing costs	(3046.6)	(3304.3)	(2080.9)	(2075.9)	(2077.3)	(2069.7)	(2068.3)	(2041.5)	(2004.7)
Sunwater – Closing balance	(44,116.4)	(47,593.0)	(47,479.9)	(47,510.4)	(47,337.2)	(47,306.2)	(46,691.4)	(45,850.9)	(44,885.0)
QCA – Closing balance	(44,116.4)	(42,569.1)	(42,018.7)	(41,596.2)	(40,988.9)	(40,491.1)			
Difference	-	(5023.9)	(5461.3)	(5914.3)	(6348.3)	(6815.1)			

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	17,588
2011/12	15,759
2012/13	17,844
2013/14	19,261
2014/15	24,599
2015/16	30,925
2016/17	32,887
2017/18	34,129
2018/19	29,560
2019/20	15,980
2020/21	12,336
19-year historical average	21,856

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

Boyne River and Tarong 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	800.8	786.2	835.4	939.6	104.2	1092.6	852.8	1028.2	873.0	1087.2	1142.9	1202.6	1272.7
Labour	124.9	118.1	101.4	111.3	9.8	95.1	103.8	116.2	106.4	119.7	123.3	127.0	130.8
Contractors	11.8	9.3	3.0	18.4	15.5	18.5	3.0	15.0	3.1	15.4	15.8	16.3	16.7
Materials	2.3	1.5	2.0	2.0	(0.0)	3.0	2.1	3.0	2.1	3.1	3.2	3.3	3.3
Electricity	-	1.7	-	2.0	2.0	-	-	2.0	-	2.1	2.1	2.2	2.2
Insurance	301.2	354.2	379.4	471.7	92.3	627.6	387.0	512.0	395.9	552.4	595.9	642.9	693.6
Other	62.4	64.5	83.3	53.6	(29.7)	90.4	85.0	89.9	86.9	93.0	94.7	96.4	99.7
Local area support costs	78.1	65.3	42.9	60.5	17.6	58.3	43.9	71.1	44.9	73.2	75.4	77.7	80.0
Corporate support costs	119.1	89.7	78.4	105.0	26.6	90.3	80.1	110.4	82.0	113.7	117.1	120.6	124.2
Indirect costs	101.2	81.8	145.0	115.0	(29.9)	109.4	148.1	108.6	151.7	114.6	115.4	116.3	122.1
Preventative maintenance	98.8	90.1	85.7	98.8	13.1	132.3	87.5	171.2	89.7	176.8	181.6	185.9	192.5
Labour	25.7	27.0	25.7	23.4	(2.3)	37.1	26.3	51.0	27.0	52.5	54.1	55.7	57.4
Contractors	18.7	7.3	5.4	9.6	4.2	10.0	5.5	10.0	5.7	10.3	10.6	10.8	11.1
Materials	2.2	0.0	0.8	0.1	(0.7)	1.0	0.8	1.0	0.8	1.0	1.1	1.1	1.1
Other	1.5	2.6	4.6	10.1	5.5	1.0	4.7	1.0	4.8	1.0	1.1	1.1	1.1
Local area support costs	13.8	14.7	10.9	13.7	2.8	22.9	11.1	30.6	11.4	31.5	32.5	33.4	34.4
Corporate support costs	22.9	21.3	19.9	23.5	3.6	35.2	20.3	48.5	20.8	49.9	51.4	52.9	54.5
Indirect costs	14.0	17.2	18.3	18.4	0.1	25.2	18.7	29.2	19.2	30.5	31.0	30.8	32.7
Corrective maintenance	12.9	14.2	15.8	101.6	85.8	28.0	16.1	103.4	16.5	106.8	109.7	112.3	116.2
Labour	1.5	2.2	2.6	10.4	7.8	5.3	2.7	29.6	2.7	30.5	31.4	32.3	33.3
Contractors	-	6.5	3.9	54.8	50.9	7.0	4.0	7.0	4.1	7.2	7.4	7.6	7.8
Materials	0.7	1.1	2.0	4.2	2.2	3.0	2.0	3.0	2.1	3.1	3.2	3.3	3.3
Other	7.5	0.8	2.3	7.2	4.9	1.0	2.3	1.0	2.4	1.0	1.1	1.1	1.1
Local area support costs	2.0	0.8	1.1	5.7	4.6	3.2	1.1	17.8	1.2	18.3	18.8	19.4	20.0
Corporate support costs	0.6	1.4	2.0	10.9	8.9	5.0	2.1	28.1	2.1	29.0	29.8	30.7	31.6
Indirect costs	0.6	1.3	1.9	8.3	6.4	3.6	1.9	16.9	1.9	17.7	18.0	17.9	19.0
Operating costs total	912.6	890.4	936.8	1139.9	203.1	1252.9	956.4	1302.8	979.2	1370.8	1434.2	1500.8	1581.4
Annuity-funded costs													
Labour		15.1	3.4	26.3	22.9	32.6	15.0	32.4	2.8	62.9	66.3	32.3	17.3
Contractors		135.9	20.0	154.8	134.8	105.3	48.6	35.6	3.0	69.0	72.6	35.3	18.9
Materials		6.3	0.7	5.6	4.9	185.6	85.7	35.6	3.0	69.0	72.6	35.3	18.9
Other		3.8	0.1	1.0	0.8	1.2	0.6	19.4	1.7	37.6	39.6	19.2	10.3
Local area support costs		8.1	2.0	15.3	13.3	20.3	9.4	19.4	1.7	37.7	39.8	19.4	10.4
Corporate support costs		11.9	3.5	26.9	23.4	31.0	14.3	30.8	2.6	59.7	63.0	30.7	16.5
Indirect costs		9.6	2.6	20.3	17.6	22.1	10.2	18.5	1.6	36.5	38.0	17.9	9.9
Annuity-funded total¹	440.6	190.6	32.4	250.1	217.7	398.0	183.8	191.9	16.4	372.4	391.6	190.1	102.1
Total costs²	1353.2	1081.1	969.2	1390.0	420.8	1650.9	1140.2	1494.7	995.6	1743.1	1825.9	1690.9	1683.6

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

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Boondooma Dam	Study – updated hydrology studies to inform the comprehensive risk assessment (CRA).	135	154	This project was completed broadly in line with budget.
Boondooma Dam	Repair – spillway drummy concrete.	44	22	An investigation revealed that no further work was required to repair the drummy concrete on the spillway crest.
Boondooma Dam	Refurbish – regulating valve No.2.	28	0	This project was deferred.
Boondooma Dam	Refurbish – guard valve No. 2.	28	41	Additional repairs were required above what was planned.
Scheme	Replace – customer meters.	16	2	Fewer meters required replacement than planned.
Multiple	Various projects.	50	31	<p>The cost variance was driven by:</p> <ul style="list-style-type: none"> the asset revaluation not being undertaken as part of the annuity-funded program of works (\$14k less) the 7-yearly crane inspection being undertaken as part of the operating program (\$4k less) the service contract's contingency amount of \$14k not being required the completion of the arc flash study being carried over to 2021/22 (\$5k less). <p>Actual expenditure related to the refurbishment of Boondooma Dam inlet and outlet low voltage switchboards was \$17k higher as both switchboards required replacement.</p>
2020/21 Total		301	250	

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

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.	73
	Boondooma Dam	Study – options analysis for the replacement of pipe sections upstream of the guard valve based on known condition.	59
	Boondooma Dam	Study – design and install new access platform to the outlet building sump pump to address a workplace health and safety issue.	59
	2022/23 Total		192
2023/24	Boondooma Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	179
	Boondooma Dam	Replace – valve house cables and cableways based on known asset condition and age. Covers scoping and design.	62
	Boondooma Dam	Study – Level 2 Bridge inspection based on Department of Transport and Main Roads’ Structures Inspection Manual.	55
	Scheme	Replace – customer meters based on known asset condition and age.	76
	2023/24 Total		372
2024/25	Boondooma Dam	Replace – valve house cables and cableways based on known asset condition and age. Covers procurement, installation, and commissioning.	251
	Boondooma Dam	Refurbish – guard valve No. 4 (pump station) based on known asset condition and age.	63
	Scheme	Replace – customer meters based on known asset condition and age.	78
	2024/25 Total		392
2025/26	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	18
	Gauging station 136316A	Replace – gauging station equipment based on known condition and age.	22
	Gauging station 136317A	Refurbish – measuring weir based on known asset condition and age.	26
	Gauging station 136317A	Replace – water level recorder and other equipment based on known asset condition and age.	45
	Scheme	Replace – customer meters based on known asset condition and age.	80
	2025/26 Total		190

Year	Facility	Activity description	Forecast \$'000
2026/27	Scheme	Replace – customer meters based on known asset condition and age.	82
	Boondooma Dam	Refurbish – drain and fill line pipework based on known condition and age.	20
	2026/27 Total		102

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.