



# Draft Service and Performance Plan 2021/22

Burdekin Haughton Bulk Water Service Contract

18 December 2020

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# At a glance

## Our performance in 2019/20

 **Operating costs:**  
\$4.08 million (23.6% more than forecast)


Key drivers of cost variance:

- additional training costs for operational support staff
- increased corrective maintenance costs associated with removing effluent waste from the sewage treatment plant, in line with our Environmental Authority agreement.


 **Annuity-funded costs:**  
\$2.06 million (21.1% more than forecast)

Key drivers of cost variance:

- the scope of works for the gantry crane rail upgrade at Clare Weir was expanded to include the entire rail length
- the replacement of light poles and fittings at Burdekin Falls Dam were completed in a single year (originally scheduled to span two years)
- the scope of works for the radial gate refurbishment at Burdekin Falls Dam was increased to include replacement of all bolts, due to their condition.


 **Total water deliveries:**  
663,465 ML

Water delivered to irrigators: 576,734 ML

 **Service targets: Met**


No exceptions

## Outlook for 2021/22

 **Forecast operating costs:**  
\$3.29 million

Significant areas of expenditure:

- insurance (\$1.23 million)
- operations (\$1.19 million)
- preventative maintenance (\$0.40 million)
- corrective maintenance (\$0.36 million).

 **Forecast annuity-funded costs:**  
\$0.89 million

Key projects planned:

- Stage 5 of the hydraulic system upgrade at Clare Weir (\$0.44 million)
- five-yearly comprehensive inspection of Burdekin Falls Dam, in accordance with the dam safety condition schedule (\$0.12 million)
- road refurbishments at Burdekin Falls Dam (\$0.09 million).

# Introduction

This Service and Performance Plan (S&PP) details a range of proposed scheme activities and projects, and presents a breakdown of anticipated costs for review. It also compares Sunwater’s actual costs for 2019/20 with our previous forecasts for this scheme.

The purpose of this year’s S&PP for the Burdekin Haughton Bulk Water Service Contract is to:

- present to customers Sunwater’s projected costs<sup>1</sup> for the upcoming five-year period, i.e. 2021/22 to 2025/26
- consult with our customers on forecast operating and annuity-funded costs for 2021/22 and the forward program of works
- examine Sunwater’s performance in 2019/20 against previous forecasts and service targets.

Our focus during 2021/22 will be on ensuring dam safety compliance is maintained and that 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. For example, we will continue to upgrade the gate cylinders at Clare Weir.

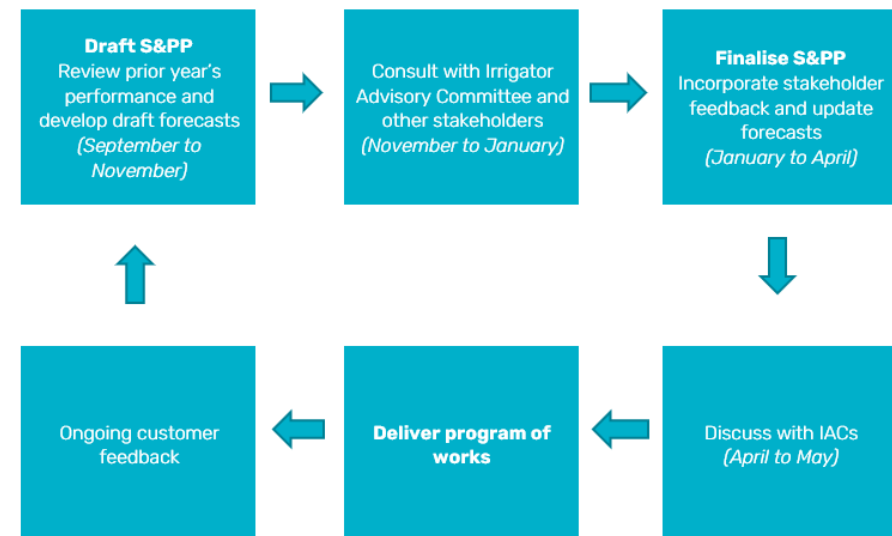
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

[www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/](http://www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/)

<sup>1</sup> 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](mailto: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

Our customers in this service contract include the Sunwater distribution scheme, the Lower Burdekin Water north and south regions, and riparian users adjacent to the Burdekin River. Water is also supplied for some industrial uses and to the towns of Clare, Millaroo and Dalbeg.

The water allocations for each customer segment are included in Table 1, together with water deliveries in 2019/20. Historical total water usage is available in **Appendix 1**.

Table 1: Water allocations and usage data<sup>1</sup>

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	636,664	0	636,664	576,734
Industrial	23,049	20,053	2996	15,234
Urban	10,537	10,537	0	1489
Sunwater (excl. distribution losses)	202,605	53,148	149,457	0
Sunwater distribution losses	206,737	16,260	190,477	70,008
<b>Total</b>	<b>1,079,592</b>	<b>99,998</b>	<b>979,594</b>	<b>663,465</b>

1. Includes the bulk water supply scheme, the distribution system, Burdekin Town Water and Burdekin Moranbah Pipeline.

## Irrigation charges

The 2021/22 charges and cost per megalitre from the Queensland Competition Authority's (QCA) 2020–2024 irrigation price investigation are shown in Table 2. The Burdekin Haughton Bulk Water Service Contract does not need additional subsidies to recover irrigation's share of future renewals, maintenance and operating costs.

Table 2: Irrigation charges for 2021/22<sup>1</sup>

Tariff group	Product	2021/22 (\$/ML) <sup>2</sup>	QCA cost-reflective (\$/ML) <sup>3</sup>	Subsidy (\$/ML)
Burdekin River	Allocation Charge – Part A	12.71	3.92	n/a
	Allocation Water – Part B	0.34	0.34	n/a
Burdekin Channel	Allocation Charge – Part A	3.92	3.92	n/a
	Allocation Water – Part B	0.34	0.34	n/a
Giru Groundwater Area	Allocation Charge – Part A	3.92	3.92	n/a
	Allocation Water – Part B	0.34	0.34	n/a
Gladys Lagoon – Up to natural yield	Allocation Charge – Part A	0.00	0.00	n/a
	Allocation Water – Part B	0.00	0.00	n/a
Gladys Lagoon – Other than from natural yield	Allocation Charge – Part A	3.92	3.92	n/a
	Allocation Water – Part B	0.34	0.34	n/a

1. This table includes bulk water charges only. For distribution charges, please refer to the Distribution Service Contract S&PP.
2. As recommended by the QCA. The Queensland Government has not yet determined the irrigation charges to apply in 2021/22.
3. Reflects 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/](http://www.sunwater.com.au/customer/fees-and-charges/)

## Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for the Burdekin Haughton Bulk Water Service Contract. Table 3 below sets out our recent performance against selected service targets for this scheme.

Table 3: Scheme service targets and performance

Service target		Target	Number of exceptions		
			2017/18	2018/19	2019/20
Planned shutdowns – notification	For shutdowns planned to exceed 2 weeks	8 weeks	0	0	0
	For shutdowns planned to exceed 3 days	2 weeks	0	0	0
	For shutdowns planned to be less than 3 days	5 days	0	0	0
Unplanned shutdowns – duration <sup>1</sup>	Unplanned shutdowns during Peak Demand Period	48 hours	0	0	0
	Unplanned shutdowns outside Peak Demand Period	5 working days			
Maximum number of interruptions <sup>2</sup>	Planned or unplanned interruptions per water year	10	0	0	0

1. This is the number of times that the unplanned shutdown has exceeded the shortest of the peak/off peak periods.
2. This is the total number of bulk customers in the scheme that have been interrupted in excess of the target.

In addition, Sunwater has company-wide customer interactions service targets. Our performance in 2019/20 against these service targets is shown in Table 4.

Table 4: Customer interactions service targets and performance

Service target	Target	2019/20
Telephone answering <sup>1</sup>	80.00%	94.87%
Requests actioned within Service Level Agreement (SLA) timeframes <sup>2</sup>	> 95.00%	95.46%

1. This target measures the percentage of 13 15 89 calls that are answered within 60 seconds. The 2019/20 result reflects the average monthly performance over the November 2019 to June 2020 period.
2. This target measures the percentage of email or workflow requests (such as property transfers and temporary transfers) to the Customer Support email address that are completed within the agreed SLAs. The SLA timeframes range between two and 10 business days, depending on the request. The 2019/20 result covers the October 2019 to June 2020 period.

## Key infrastructure

Table 5 lists the key infrastructure used to deliver bulk water services to our customers in Burdekin Haughton.

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Burdekin Falls Dam	Mass concrete main wall with ogee crest spillway. Includes three saddle dams. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	1,860,000
Clare Weir	Mass concrete weir with tilting gates and fish transfer system.	15,900
Gorge Weir	Mass concrete structure, with a drop board section.	9095
Blue Valley Weir	Concreted rock wall, with timber drop board outlet works.	3820

## Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Burdekin Haughton Bulk Water Service Contract is presented in Table 6.

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

Sunwater anticipates an increase in revenue for the Burdekin Haughton Bulk Water Service Contract in 2021/22.

In 2021/22, Sunwater expects to spend \$489 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 Burdekin Haughton Bulk Water Service Contract. Detail on the planned spend for this scheme is outlined on subsequent pages of this S&PP.

Figure 2: Total Sunwater cost pools and allocation to scheme—2021/22 forecast (\$M)

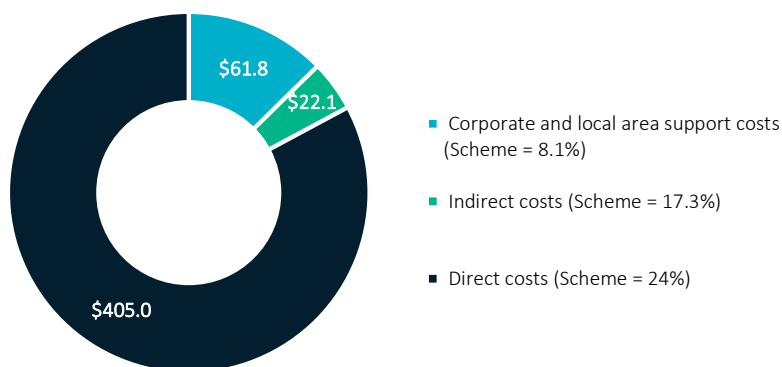


Table 6: Service contract financial summary

Burdekin Haughton Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000
Revenue					
Irrigation	1560.3	1579.9	1544.1	1564.1	1565.4
Community Service Obligation	318.0	318.0	318.0	318.0	317.8
Industrial <sup>1</sup>	55.2	54.9	56.2	58.0	59.5
Urban <sup>1</sup>	-	-	-	91.3	93.6
Revenue transfers <sup>2</sup>	3731.5	3641.7	3667.8	3857.8	3958.7
Drainage	-	-	-	-	-
Other	7.6	44.0	64.5	62.5	64.1
<b>Revenue total</b>	<b>5672.6</b>	<b>5638.6</b>	<b>5650.6</b>	<b>5951.8</b>	<b>6059.0</b>
Less – Operating expenditure	2737.4	3661.4	4083.5	3696.6	3802.9
Less					
Annuity-funded	815.9	897.2	2059.8	1950.7	891.7
Non-annuity funded <sup>3</sup>	5883.1	2667.7	4767.6	6682.6	101,398.2
<b>Surplus (deficit)</b>	<b>(3763.8)</b>	<b>(1587.7)</b>	<b>(5260.3)</b>	<b>(6378.2)</b>	<b>(100,033.7)</b>

- 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 distribution system and the Burdekin Moranbah pipeline. The revenue accrues to the distribution system and pipeline system 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 Burdekin Haughton Bulk Water Service Contract is the Dam Improvement Program and recreational facility projects from 2020/21.

## Cost of delivering services—Operating expenditure

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

Table 7 sets out actual and forecast operating expenditure for the Burdekin Haughton Bulk Water Service Contract. For a more detailed breakdown by cost category, refer to **Appendix 2**.

### Our performance in 2019/20

In 2019/20, operating costs were more than we previously forecast.<sup>2</sup> Operations costs were higher than budgeted due to the training of operational support staff, e.g. staff gaining experience and certification to undertake relieving duties at Burdekin Falls Dam, including Emergency Action Plan activities.

Table 7: Operating expenditure<sup>1</sup>

Burdekin Haughton Bulk Water Service Contract	2017/18	2018/19	2019/20			2020/21		2021/22		2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000	Sunwater Actual \$'000	Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000 <sup>2</sup>	Sunwater Forecast \$'000	QCA Target \$'000 <sup>2</sup>	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	1845.5	2220.0	2508.8	2543.3	34.5	2458.8	2466.3	2527.0	2502.8	2641.0	2673.2	2793.8	2828.5
Electricity	(0.7)	5.4	126.3	13.5	(112.8)	111.5	128.9	114.2	116.6	117.1	120.0	143.5	147.1
Insurance	721.2	773.7	861.8	886.2	24.4	1196.2	974.5	1226.1	994.0	1256.8	1288.2	1320.4	1353.4
Operations	1125.0	1440.9	1520.7	1643.6	122.9	1151.2	1362.9	1186.7	1392.2	1267.1	1265.0	1329.9	1328.0
Preventative maintenance	486.4	518.2	474.2	530.2	56.0	392.1	387.8	404.3	396.1	434.9	432.1	456.3	459.0
Corrective maintenance	405.6	923.2	321.9	1010.0	688.1	351.7	259.0	362.4	264.4	387.2	386.3	406.3	409.8
<b>Operating costs total</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3202.7</b>	<b>3113.1</b>	<b>3293.7</b>	<b>3163.4</b>	<b>3463.1</b>	<b>3491.6</b>	<b>3656.4</b>	<b>3697.3</b>
Recreational facility costs <sup>3</sup>						493.9		509.1		544.5	543.0	571.5	572.6
<b>Operating costs total (incl. recreational facility costs)</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3696.6</b>		<b>3802.9</b>		<b>4007.6</b>	<b>4034.6</b>	<b>4227.8</b>	<b>4269.9</b>

1. Sunwater's 2021/22 to 2025/26 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Reflects the QCA's 2020–2024 irrigation price investigation final recommendations. Excludes recreational facility costs.
3. From 1 July 2020, irrigation customers no longer contribute towards the cost of operating and maintaining recreational facilities. Forecast costs have been separately identified for transparency.

<sup>2</sup> See the 2019/20 Network Service Plan at [www.sunwater.com.au/schemes/Burdekin-Haughton/](http://www.sunwater.com.au/schemes/Burdekin-Haughton/)

The increase in 2019/20 corrective maintenance spend was due to the removal of effluent waste from the sewage treatment plant. Sunwater's Environmental Authority agreement restricts the overflow of wastewater into the environment. We therefore needed to remove the wastewater via truck and transport it to a regulated waste facility in Townsville for disposal.

## **Outlook for 2021/22 Operations**

Burdekin Haughton Bulk Water Service Contract's total operations budget in 2021/22 is 1.0 per cent above the QCA's recommended cost target. Our forecast operations and electricity costs are lower than the QCA's cost targets, but insurance costs are projected to be higher.

### **Insurance**

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

In 2020/21, Sunwater experienced a significant price increase in insurance premiums. Our insurance broker has indicated this is the beginning of an upward trend in premiums due to, among other factors, the number and size of natural disasters that have occurred in Australia over the past 12 months. Insurance premiums in 2021/22 are therefore expected to be higher than the QCA's recommended allowance and historical costs.

### **Preventative maintenance**

The forecast preventative maintenance costs for the Burdekin Haughton Bulk Water Service Contract are expected to be broadly in line with the QCA's recommended cost target (2.1 per cent above the target).

### **Corrective maintenance**

In 2021/22, Sunwater anticipates spending \$362.4k on corrective maintenance in the Burdekin Haughton Bulk Water Service Contract. While this is 37.0 per cent above the QCA's recommended cost target, it is consistent with Sunwater's previous forecasts.

Historically, our corrective maintenance spend has been much higher than forecast due to ageing assets.



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

Annuity expenditure include funds for preventative and corrective maintenance, as well as large, one-off operations activities. The preventative maintenance activities monitor the asset condition and inform the corrective maintenance program when an asset needs to be refurbished or replaced. Non-annuity funded expenditure largely relates to Sunwater’s Dam Improvement Program and recreational facility costs.

Table 8 outlines our annuity and non-annuity funded expenditure. A comparison of forecast and actual annuity-funded projects for 2019/20 is provided in **Appendix 3**, with details of the major annuity-funded projects planned for the 2020/21 to 2025/26 period set out in **Appendix 4**.

Table 8: Annuity and non-annuity funded expenditure<sup>1,2</sup>

Burdekin Houghton Bulk Water Service Contract	2017/18	2018/19	2019/20		Variance \$'000	2020/21		2021/22		2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000 <sup>3</sup>	Sunwater Actual \$'000 <sup>3</sup>	Sunwater Forecast \$'000	Sunwater Actual \$'000		Sunwater Forecast \$'000	QCA Target \$'000 <sup>4</sup>	Sunwater Forecast \$'000	QCA Target \$'000 <sup>4</sup>	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
<b>Annuity-funded</b>													
Operations	16.0	-	209.1	16.3	(192.9)	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	799.9	897.2	1491.5	2043.6	552.1	1950.7	889.8	891.7	832.0	687.3	988.5	1006.6	1713.6
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Annuity-funded total</b>	<b>815.9</b>	<b>897.2</b>	<b>1700.7</b>	<b>2059.8</b>	<b>359.2</b>	<b>1950.7</b>	<b>889.8</b>	<b>891.7</b>	<b>832.0</b>	<b>687.3</b>	<b>988.5</b>	<b>1006.6</b>	<b>1713.6</b>
<b>Non-annuity funded</b>													
Dam Improvement Program	5883.1	2667.7	6047.6	4767.6	(1280.0)	5891.0		100,098.6		117,092.5	109,967.6	45,277.5	-
Recreational facility projects						428.0		1299.6		1106.8	96.8	214.4	69.0
Metered offtakes and dividend reinvestment	-	-	-	-	-	363.6		-		-	-	-	-
<b>Non-annuity total</b>	<b>5883.1</b>	<b>2667.7</b>	<b>6047.6</b>	<b>4767.6</b>	<b>(1280.0)</b>	<b>6682.6</b>		<b>101,398.2</b>		<b>118,199.3</b>	<b>110,064.5</b>	<b>45,491.9</b>	<b>69.0</b>

1. Sunwater’s 2021/22 to 2025/26 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Forecast annuity-funded costs from 2020/21 exclude recreational facility projects.
3. The annuity-funded spend for 2017/18 and 2018/19 reflects the QCA’s 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater’s actual costs.
4. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations.

## Asset management and planning improvements

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

- improve our predictive maintenance and asset condition reporting arrangements to better inform the timing of asset replacement
- review our cost estimation approach and ensure that asset values are based on modern equivalent replacement values where appropriate
- develop transparent guidelines for options analyses.<sup>3</sup>

Sunwater acknowledges there is room for improvement in our asset management system and is working on several initiatives to address specific potential improvements and the broader asset management and planning processes as outlined below. We will report on our progress on the implementation of these initiatives in the final S&PP for 2021/22.

### Asset management performance growth

This initiative provides the opportunity to improve predictive maintenance capability and focuses on monitoring asset performance data of critical assets. The asset data will provide a greater insight into asset performance, condition, and refurbishment and replacement planning.

## Asset management planning

A change to Sunwater’s asset planning cycle has improved the near-term cost estimation of annuity-funded work. The change targets 18 months of fully cost-estimated work and will help improve future asset replacement values.

### Asset management improvement

Sunwater is implementing improvements to our asset management system with a fit for purpose alignment to the ISO55001 asset management standard. Key to the alignment is the simplification of how we identify and deliver maintenance work. Low value, low complexity work follows a standard work management methodology and is managed at a service contract level. High value, high complexity work is managed at an individual level and follows Sunwater’s Portfolio, Program and Project Management Framework (P3MF). P3MF defines the management and governance of projects including when an options analysis is required.

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<sup>3</sup> See pages 58 to 60, [www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf](http://www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf)

# Annuity balance

Annuities are managed by Sunwater on behalf of each service contract. They allow for customer charges to reflect a constant amount necessary to recoup the costs of refurbishment/replacement of the assets over a pre-determined period of time. The forecast annuity balances, and the impacts of budgeted spend, are shown in Table 9 below.

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

Table 9: Annuity balance

Burdekin Houghton Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Actual \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000	2025/26 Forecast \$'000
Opening balance <sup>1</sup>	6647.4	6940.7	7190.0	6311.0	5809.5	6379.7	7259.6	7979.3	8723.4
Spend <sup>2</sup>	(815.9)	(897.2)	(2059.8)	(1950.7)	(891.7)	(687.3)	(988.5)	(1006.6)	(1713.6)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution <sup>3</sup>	611.3	626.6	642.3	1173.4	1207.9	1288.3	1390.8	1401.8	1428.6
Interest/financing costs	497.9	519.9	538.5	275.9	254.0	278.9	317.4	348.9	381.4
<b>Sunwater – Closing balance</b>	<b>6940.7</b>	<b>7190.0</b>	<b>6311.0</b>	<b>5809.5</b>	<b>6379.7</b>	<b>7259.6</b>	<b>7979.3</b>	<b>8723.4</b>	<b>8819.8</b>
<b>QCA – Closing balance</b>	<b>6940.7</b>	<b>7190.0</b>	<b>6797.8</b>	<b>7378.6</b>	<b>8077.0</b>	<b>9053.8</b>	<b>9881.9</b>		
Difference	-	-	(486.8)	(1569.0)	(1697.3)	(1794.2)	(1902.6)		

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

# Appendix 1—Historical water usage

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

Year	Usage (ML)
2010/11	184,950
2011/12	435,031
2012/13	514,753
2013/14	716,982
2014/15	801,910
2015/16	680,578
2016/17	581,308
2017/18	637,316
2018/19	524,103
2019/20	663,465
<b>18-year historical average</b>	<b>600,384</b>

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

Burdekin Houghton Bulk Water Service Contract	2017/18	2018/19	2019/20		2020/21		2021/22		2022/23	2023/24	2024/25	2025/26	
	Sunwater Actual \$'000	Sunwater Actual \$'000	Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	
<b>Operating costs</b>													
Operations	1845.5	2220.0	2508.8	2543.3	34.5	2458.8	2466.3	2527.0	2502.8	2641.0	2673.2	2793.8	2828.5
Labour	240.8	370.3	325.4	320.5	(4.8)	241.0	295.8	248.2	302.6	255.7	262.0	268.6	275.3
Contractors	66.4	61.6	60.0	127.8	67.8	43.6	43.0	44.7	43.8	45.8	47.0	48.2	49.4
Materials	13.4	23.9	20.0	38.2	18.2	15.9	19.4	16.3	19.8	16.7	17.1	17.5	17.9
Electricity	(0.7)	5.4	126.3	13.5	(112.8)	111.5	128.9	114.2	116.6	117.1	120.0	143.5	147.1
Insurance	721.2	773.7	861.8	886.2	24.4	1196.2	974.5	1226.1	994.0	1256.8	1288.2	1320.4	1353.4
Other	275.6	93.7	334.4	496.6	162.2	237.2	245.9	242.8	250.8	248.0	254.4	260.6	266.3
Local area support costs	175.6	311.7	204.6	198.0	(6.6)	140.8	210.2	145.0	214.7	149.4	153.1	156.9	160.9
Corporate support costs	141.6	332.7	243.0	244.7	1.8	180.7	228.4	186.2	233.3	191.7	196.5	201.4	206.5
Indirect costs	211.6	247.1	333.4	217.7	(115.7)	292.0	320.1	303.5	327.0	359.9	334.8	376.6	351.7
Preventative maintenance	486.4	518.2	474.2	530.2	56.0	392.1	387.8	404.3	396.1	434.9	432.1	456.3	459.0
Labour	93.5	119.0	113.8	140.5	26.7	96.9	79.9	99.8	81.7	102.8	105.4	108.0	110.7
Contractors	177.3	129.3	100.0	71.4	(28.6)	71.4	111.0	73.2	113.3	75.0	76.9	78.8	80.8
Materials	17.4	5.0	14.0	2.4	(11.6)	9.5	9.1	9.8	9.3	10.0	10.3	10.5	10.8
Other	8.1	11.4	10.0	30.3	20.3	10.3	12.4	10.6	12.7	10.8	11.1	11.4	11.7
Local area support costs	72.8	95.0	72.4	84.9	12.6	56.5	56.8	58.2	58.0	60.0	61.5	63.0	64.6
Corporate support costs	46.6	97.5	85.0	106.3	21.3	72.7	61.7	74.9	63.0	77.1	79.0	81.0	83.0
Indirect costs	70.7	60.9	79.1	94.3	15.3	74.8	56.9	77.9	58.1	99.2	87.9	103.6	97.5
Corrective maintenance	405.6	923.2	321.9	1010.0	688.1	351.7	259.0	362.4	264.4	387.2	386.3	406.3	409.8
Labour	63.0	86.2	55.3	102.4	47.1	74.5	38.6	76.8	39.5	79.1	81.0	83.1	85.2
Contractors	182.6	561.6	110.0	636.0	526.0	87.3	104.5	89.4	106.6	91.7	94.0	96.3	98.7
Materials	15.8	41.6	30.0	30.3	0.3	21.4	24.8	22.0	25.3	22.5	23.1	23.6	24.2
Other	12.2	28.8	11.0	44.3	33.3	11.9	6.4	12.2	6.5	12.5	12.8	13.1	13.5
Local area support costs	49.1	75.1	35.7	60.0	24.2	43.2	27.4	44.5	28.0	45.9	47.0	48.2	49.4
Corporate support costs	35.1	77.2	41.3	73.2	31.8	55.9	29.8	57.6	30.4	59.3	60.8	62.3	63.9
Indirect costs	47.7	52.5	38.5	63.8	25.3	57.5	27.5	59.9	28.1	76.3	67.6	79.7	75.0
<b>Operating costs total</b>	<b>2737.4</b>	<b>3661.4</b>	<b>3304.9</b>	<b>4083.5</b>	<b>778.7</b>	<b>3202.7</b>	<b>3113.1</b>	<b>3293.7</b>	<b>3163.4</b>	<b>3463.1</b>	<b>3491.6</b>	<b>3656.4</b>	<b>3697.3</b>
<b>Annuity-funded costs</b>													
Labour			191.3	107.1	(84.2)	143.0	65.2	77.0	71.9	62.1	92.5	106.8	266.6
Contractors			741.5	1567.0	825.5	884.4	403.4	167.7	156.4	81.8	287.9	358.9	351.2
Materials			339.6	151.8	(187.9)	593.5	270.7	477.4	445.5	399.5	406.6	292.3	362.1
Other			38.4	18.0	(20.4)	29.4	13.4	6.1	5.7	-	2.4	5.4	145.5
Local area support costs			114.0	63.8	(50.2)	82.8	37.7	45.6	42.6	37.4	52.5	60.8	153.6
Corporate support costs			142.8	81.9	(61.0)	107.3	48.9	57.8	53.9	46.6	69.4	80.1	199.9
Indirect costs			132.9	70.2	(62.7)	110.4	50.3	60.1	56.1	59.9	77.2	102.4	234.7
<b>Annuity-funded total<sup>1</sup></b>	<b>815.9</b>	<b>897.2</b>	<b>1700.7</b>	<b>2059.8</b>	<b>359.2</b>	<b>1950.7</b>	<b>889.8</b>	<b>891.7</b>	<b>832.0</b>	<b>687.3</b>	<b>988.5</b>	<b>1006.6</b>	<b>1713.6</b>
<b>Total costs<sup>2</sup></b>	<b>3553.3</b>	<b>4558.6</b>	<b>5005.5</b>	<b>6143.4</b>	<b>1137.8</b>	<b>5153.4</b>	<b>4002.9</b>	<b>4185.5</b>	<b>3995.4</b>	<b>4150.4</b>	<b>4480.1</b>	<b>4662.9</b>	<b>5410.9</b>

1. The 2017/18 and 2018/19 costs reflect the QCA's 2020–24 irrigation price investigation final recommendations, which included adjustments to Sunwater's actual costs. Sunwater has provided cost information at the lowest level of granularity available.

2. Excludes recreational facility costs from 2020/21.

## Appendix 3—Comparison of forecast and actual annuity-funded projects for 2019/20

The below table sets out the major annuity-funded projects planned for the Burdekin Haughton Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Clare Weir – Hydraulic system/cylinders (Stage 3) and gantry crane rail	691	1000	<p>The scope of works for this project changed significantly from what was forecast.</p> <p><i>Postponed</i></p> <p>Stage 3 refurbishment of the hydraulic system and cylinders was postponed until the gantry crane rail was replaced, but procurement activities were completed. Underwater inspection and assessment of tier 1 outlet works was unable to be completed due to river levels.</p> <p><i>Optimising access</i></p> <p>The initial forecast was to replace only 180m of rail, but the project took advantage of the access, and replaced the entire length of upstream rail (425m) instead. This eliminated future costs for demobilisation and remobilisation of the specialist contractor to site.</p> <p>\$28k allowed for the repair of concrete capping on the spillway was not needed, as this work was undertaken as part of the rail replacement.</p>
Burdekin Falls Dam – Recreational facility and development strategy	209	16	A review was undertaken, and it was decided that no further work needed to be completed.
Burdekin Falls Dam – Sewage treatment plant	176	181	The project was delivered in line with the budget.
Burdekin Falls Dam – 20-year dam safety review	149	139	The project was delivered within the budget.
Burdekin Falls Dam – Replace light poles and fittings	130	227	This project was planned to span two financial years, but all works were completed during the first tranche of works. Savings were achieved through reduced mobilisation/demobilisation costs.
Burdekin Falls Dam – Radial gate refurbishment	70	139	The scope of work increased upon inspection to include replacement of all bolts (approximately 400 in total) due to their condition. The original scope of work was to blast and patch paint the three gates. Efficiencies were achieved by completing this work at the same time as the radial gate refurbishment, rather than re-establishing access and a new project at a future date.
Burdekin Falls Dam – Gallery lighting project	56	64	As a result of several deficiencies identified during the initial inspection, additional condition assessment and reporting was required to determine the way forward.
Other works	220	148	Actual costs were slightly higher than forecast, due to the initial condition assessment of some assets and the requirement for fabrication works on one of the meter installations. However, the unplanned capital works contingency budget was not required.

Project	Forecast \$'000	Actual \$'000	Commentary
Non-scheduled works	-	145	The buoy line that provides visual indication of the dam spillway exclusion area was reinstated (after being washed away during a previous flood - Feb 2019) and gates to prevent public access to the boat ramp during spilling events were installed.
<b>2019/20 Total</b>	<b>1701</b>	<b>2060</b>	

## Appendix 4—Annuity-funded projects for 2020/21 to 2025/26

The below table sets out Sunwater’s currently planned annuity-funded projects for the 2020/21 to 2025/26 period for this scheme. While the immediate program is well defined, estimates become more uncertain further into the planning timeline. Forecasts are likely to change in future S&PPs, reflecting changes in project delivery timing; asset condition and risk updates; outcomes from scheduled asset inspections; and customer feedback.

Year	Project title	Project scope	Forecast \$'000
2020/21	Burdekin Falls Dam – Main dam gallery lighting	Replace upper and lower gallery lighting fixtures, cabling and distribution boards due to condition and AS/NZS3000 compliance issues.	700
	Clare Weir – Hydraulic system upgrade (Stage 4)	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 4 of a multi-year project to redesign and improve the hydraulic system.	331
	Burdekin Falls Dam – Penstock liner refurbishment	Planned refurbishment of the three steel penstocks to address coating loss and potential corrosion issues.	180
	Clare Weir – Civil and mechanical works	Reinstatement of downstream rock protection assets, replacement of battery charger system, gate control bubbling system and scheduled monolith deformation survey.	124
	Burdekin Falls Dam – Permanent services	Replace corroded steel street light poles and lighting fixtures to retain function and road safety.	125
	Burdekin Falls Dam – Bulkhead gate	Refurbish bulkhead gate coating system, seals and retaining plates to retain service life and function.	81
	Burdekin Falls Dam – Baulks	Refurbish 12 intake structure baulks (blast, paint and new wear pads) as part of an ongoing program to maintain the fleet of units in a serviceable condition.	73
	Burdekin Falls Dam – Dissipator blocks and slab	Dam safety inspections have identified the erosion or loss of dissipator blocks and erosion of the impact slabs in the outlet works discharge channel. This project will repair and/or reinstate the dissipator blocks and slab.	72
	Burdekin Falls Dam – Distribution board	Replace faulty main wall distribution board components.	49
	Clare Weir – Failure Impact Assessment (FIA)	To be undertaken based on the 2018 FIA Guidelines update.	40
	Arc flash study	Scheme-based study to determine arc flash risk and classification for all electrical switchboards and distribution boards.	39
	Other works	The balance of the 2020/21 program of works includes, among others, fire suppression testing at Burdekin Falls Dam, an asset revaluation, river customer meter replacements and a contingency amount for unplanned capital replacements.	137
	<b>2020/21 Total</b>		<b>1951</b>
2021/22	Clare Weir – Hydraulic system upgrade (Stage 5)	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 5 of a multi-year project to redesign and improve the hydraulic system.	436
	Burdekin Falls Dam – Comprehensive inspection	Sunwater conducts comprehensive inspections on our dams every five years. This allows us to maintain current knowledge of the asset condition and risks, so projects can be brought in and deferred as needed	118



Year	Project title	Project scope	Forecast \$'000
		to maintain the asset in serviceable condition. This is a requirement of the dam safety condition schedule for Burdekin Falls Dam.	
	Burdekin Falls Dam – Road refurbishment	The internal roads at the dam are deteriorating. This project will reseal them, fill potholes and improve drainage.	92
	Burdekin Falls Dam – Patch paint baulks	Twelve baulks will be removed, and patch painted to maintain overall condition of the assets.	73
	Clare Weir – Comprehensive inspection	Sunwater conducts comprehensive inspections on our weirs every five years. This allows us to maintain current knowledge of the asset condition and risks, so projects can be brought in and deferred as needed to maintain the asset in serviceable condition.	51
	Burdekin Falls Dam – Battery charger	Replace standby generator battery charger system due to age and obsolescence to retain function and serviceability.	62
	Burdekin Falls Dam – Gallery lighting bus-duct	Refurbish lower and upper gallery lighting bus-duct system to reinstate reliable and effective lighting system.	46
	Other works	There is one other annuity-funded project in 2021/22 related to meter replacements.	14
	<b>2021/22 Total</b>		<b>892</b>
2022/23	Clare Weir – Hydraulic system upgrade (Stage 6)	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 6 of a multi-year project to redesign and improve the hydraulic system.	529
	Burdekin Falls Dam – Patch paint baulks	Twelve baulks will be removed, and patch painted to maintain overall condition of the assets.	76
	Gorge Weir – Comprehensive inspection	Sunwater conducts comprehensive inspections on our weirs every five years. This allows us to maintain current knowledge of the asset condition and risks, so projects can be brought in and deferred as needed to maintain the asset in serviceable condition.	26
	Other works	The balance of the 2022/23 program of works includes river customer meter replacements, Clare Weir light and power works, and other minor works.	56
	<b>2022/23 Total</b>		<b>687</b>
2023/24	Clare Weir – Hydraulic system upgrade (Stage 7)	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 7 of a multi-year project to redesign and improve the hydraulic system.	353
	Clare Weir – Access road refurbishment	This is an allowance to refurbish the left and right-bank access roads and ramps at Clare Weir. A condition assessment in 2022/23 will determine if this work will proceed.	194
	Burdekin Falls Dam – Ventilation fan replacement	This is an allowance to replace the upper and lower ventilation fans and systems at the dam. A condition assessment in 2022/23 will determine if this work will proceed.	115
	Clare Weir – Outlet works hydraulics	Hydraulic power pack overhaul to ensure reliable flow regulation.	86
	Burdekin Falls Dam – Patch paint baulks	Twelve baulks will be removed, and patch painted to maintain overall condition of the assets.	77
	Clare Weir – Refurbish ladders, walkways and handrails	This is an allowance to refurbish ladders, walkways and handrails at Clare Weir. A condition assessment in 2022/23 will determine if this work will proceed.	53
	Burdekin Falls Dam – Long haul gantry crane	Long travel drive units and electricals require timed overhaul to ensure continued reliable operation.	43

Year	Project title	Project scope	Forecast \$'000
	Other works	The balance of the 2023/24 program of works includes river customer meter replacements and minor generator, air filter and control works at Burdekin Falls Dam and Claire Weir.	68
	<b>2023/24 Total</b>		<b>989</b>
2024/25	Clare Weir – Hydraulic system upgrade (Stage 8)	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 8 of a multi-year project to redesign and improve the hydraulic system.	367
	Burdekin Falls Dam – Gantry crane	Refurbish gantry crane crab hoist (12.5t), general cabling, lighting and power and limit switches due to condition, to retain function and safety.	227
	Burdekin Falls Dam – Outlet works	Refurbish radial gate lifting and locking hydraulic cylinders to ensure continued reliable control of dam releases.	94
	Burdekin Falls Dam – Fixed wheel gate hoist	Refurbish hoist disk brakes and actuation arrangements to ensure continued safe and serviceable operation.	68
	Clare Weir – Hydraulic cylinders	Replace flap gate hydraulic cylinders (items 1 to 4) with new units and refurbish old units as rotatable spares.	61
	Clare Weir – Outlet works	Refurbish outlet works conduits. Work scope and timing will be subject to condition assessment by underwater inspection (included in this project).	59
	Gorge Weir – Protection works	Refurbish downstream left abutment dental concrete protection works, subject to the 2022/23 comprehensive inspection.	35
	Clare Weir – Gantry crane cylinders	Replace gantry crane hydraulic cylinders due to service life to ensure continued safe operation and ability to refurbish flap gate cylinders.	32
	Burdekin Falls Dam – Standby generator	Scheduled refurbishment of standby generator to ensure continued reliable operation.	21
	Other works	The balance of the 2024/25 program of works includes, replacement of the Clare Weir supervisory control and data acquisition and uninterruptible power supply computer, river customer meter replacements, and minor weir and fish lock electrical/mechanical equipment replacements.	43
	<b>2024/25 Total</b>		<b>1007</b>
2025/26	Burdekin Falls Dam – Embankment works	Left bank and Mount Graham saddle dams' general embankment crest, abutment, upstream and downstream slope earthworks and protection works (subject to condition, as assessed during the five-yearly comprehensive inspection).	533
	Clare Weir – Hydraulic cylinders	The Clare Weir hydraulic system has been underperforming for many years, mainly due to design inefficiencies. This is Stage 9 of a multi-year project to redesign and improve the hydraulic system.	468
	Burdekin Falls Dam – Settlement points	Refurbish or reinstate main and saddle dam deformation survey points and control stations to ensure continued accurate survey and monitoring of the structure.	108
	Burdekin Falls Dam – Road refurbishment	Refurbish the main dam access roads (re-surface, clear drainage paths and patch defects) as required by condition to retain road network function and safety.	102
	Burdekin Falls Dam – Trash racks	A rolling program to refurbish intake tower trash racks, as well as refurbishment of the top deck track rack storage racks arrangement to ensure continued serviceability.	83

Year	Project title	Project scope	Forecast \$'000
	Clare Weir – Fishway	Refurbish fishway attraction, drain and filling line valves and pipework to retain function and serviceability.	68
	Burdekin Falls Dam – Gantry crane	Refurbish drive units, cable reeler, fixed wheel structure and general handrails and platforms to retain serviceability and function.	66
	Burdekin Falls Dam – Control system	Options study to consider dam control system replacement strategy and undertake conceptual design and costings for end of life replacement to retain system operability.	68
	Clare Weir – Electrical system	Replace left bank light and power installations due to age and gate control switchboard.	39
	Asset revaluation	Revalue the assets for insurance purposes; update asset replacement costs and Bill of Materials; and identify gaps in asset hierarchy data.	35
	Clare Weir – Gantry crane	Investigate and refurbish gantry crane flap gate lifting mechanism to improve function and workplace safety.	34
	Other works	The balance of the 2025/26 program of works includes river customer meter replacements, foundation drain cleaning at Burdekin Falls Dam, minor dam, weir and fish lock electrical/mechanical equipment replacements, and handrail, fencing and platforms refurbishments.	110
	<b>2025/26 Total</b>		<b>1714</b>

## Contact us

To have your say and shape future Service and Performance Plans, please contact us via email or post:

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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.