



Final Service and Performance Plan

2022/23

Lower Fitzroy Bulk Water Service Contract

19 July 2022

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At a glance


Our performance in 2020/21



Operating costs:
\$0.38 million (64.1% more than QCA target)


Key drivers of cost variance:

- increased operational activities due to low levels at Eden Bann Weir
- higher non-direct costs.




Annuity-funded costs:
\$0.02 million (287.8% more than QCA target)

Sunwater commenced a project to replace a damaged outlet works (inlet) vertical lift gate, which was not part of the 2020/21 program of works assessed by the QCA.



Total water deliveries:
16,707 ML


Water delivered to irrigators: 140 ML



Service targets: Met

No exceptions


Outlook for 2022/23



Forecast operating costs:
\$0.46 million

Significant areas of expenditure:

- operations (\$0.25 million)
- corrective maintenance (\$0.10 million).



Forecast annuity-funded costs:
\$0.07 million

Sunwater plans to replace an outlet works inlet gate at Eden Bann Weir.

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 Lower Fitzroy 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 that refurbishment and corrective work identified through our annual and five yearly comprehensive inspections at Eden Bann Weir 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

The main purpose of the service contract is to store water from the Fitzroy River for use as cooling water by the Stanwell Power Station. The scheme also supplies agricultural and riparian allocation holders along the Fitzroy River and stock, domestic and industrial users along the Stanwell Pipeline.

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	3101	0	3101	140
Urban	0	0	0	0
Industrial	24,056	24,056	0	16,566
Sunwater (excl. distribution losses)	189	189	0	0
Sunwater distribution losses	1275	1275	0	1
Total	28,621	25,520	3101	16,707

1. Includes Stanwell 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
Lower Fitzroy River	Allocation Charge – Part A	11.52	12.64
	Allocation Water – Part B	0.86	1.03

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 and customers have agreed Water Supply Arrangements and Service Targets for the Lower Fitzroy 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

Eden Bann Weir is the key infrastructure used to deliver bulk water services to our customers in Lower Fitzroy. It is a mass concrete retaining structure with a hydraulically actuated fish lock. The total storage capacity is 35,900 ML.

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Lower Fitzroy 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 an increase in revenue for the Lower Fitzroy 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 Lower Fitzroy 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)

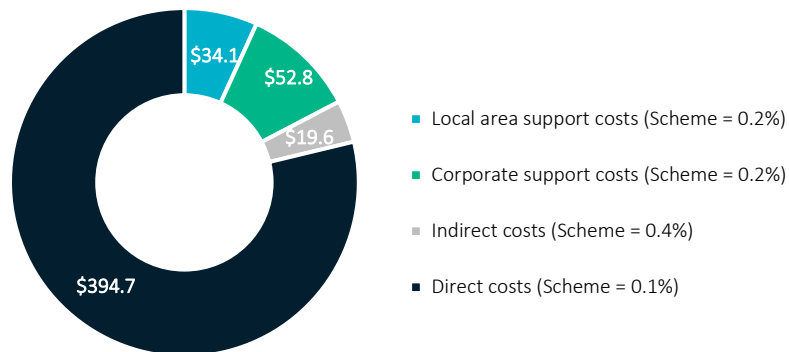


Table 5: Service contract financial summary

Lower Fitzroy 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	42.0	42.9	42.8	44.2	37.6
Community Service Obligation	-	-	-	-	-
Industrial ¹	0.8	1.3	1.6	-	-
Urban ¹	-	-	-	-	-
Revenue transfers ²	440.0	363.2	412.4	479.1	526.9
Drainage	-	-	-	-	-
Other	-	-	1.5	-	-
Revenue total	482.7	407.4	458.3	523.3	564.5
Less – Operating expenditure	271.9	383.3	384.8	458.0	455.0
Less					
Annuity-funded	169.9	-	17.2	21.1	72.0
Non-annuity funded	-	-	-	-	-
Surplus (deficit)	41.0	24.1	56.4	44.2	37.6

- 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 Stanwell Pipeline. The revenue accrues to the pipeline system before it is transferred to the Bulk Water Service Contract as a contribution to the cost of the bulk water service.

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 Lower Fitzroy 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 QCA’s recommended cost target due to increased operational activities at key infrastructure including the fish lock because of low weir levels and associated non-direct costs.

Table 6: Operating expenditure¹

Lower Fitzroy 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	238.1	299.7	187.7	246.0	58.3	345.9	191.7	283.2	196.3	292.8	303.8	312.2	323.7
Electricity	2.2	2.3	1.9	2.2	0.3	1.8	1.9	1.9	2.0	1.9	2.1	2.2	2.2
Insurance	22.4	25.6	28.3	34.0	5.7	45.2	28.8	35.0	29.5	37.8	40.8	44.0	47.5
Operations	213.4	271.8	157.5	209.8	52.3	298.9	160.9	246.4	164.8	253.1	260.9	266.1	274.1
Preventative maintenance	32.7	45.4	35.5	103.7	68.1	59.8	36.3	70.9	37.2	73.1	75.1	76.9	79.6
Corrective maintenance	1.1	38.3	11.2	35.1	23.9	52.3	11.4	100.9	11.7	104.1	106.9	109.5	113.2
Operating costs total	271.9	383.3	234.4	384.8	150.4	458.0	239.4	455.0	245.2	470.0	485.8	498.7	516.6
Recreational facility costs ³				-		-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	271.9	383.3		384.8		458.0		455.0		470.0	485.8	498.7	516.6

1. Sunwater’s 2022/23 to 2026/27 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations. Excludes recreational facility costs.
3. From 1 July 2020, irrigation customers no longer contribute towards the cost of operating and maintaining recreational facilities. Forecast costs have been separately identified for transparency.

Outlook for 2022/23 Operations

Lower Fitzroy Bulk Water Service Contract's total operations budget in 2022/23 is 44.3 per cent above the QCA's recommended cost target. This variance is largely driven by higher insurance costs (see below), non-direct costs and increased operational activities.

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 Lower Fitzroy Bulk Water Service Contract are 90.5 per cent (\$33.7k) above the QCA's recommended cost target due to preventative maintenance works being aligned to our asset maintenance strategy. The forecast expenditure reflects improvements to preventative maintenance programs within the asset lifecycle.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$100.9k on corrective maintenance in the Lower Fitzroy Bulk Water Service Contract. This is significantly above the QCA's recommended cost target but is in line with our expected corrective maintenance requirements.

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}

Lower Fitzroy 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	-	-	4.4	17.2	12.7	21.1	61.2	72.0	-	-	85.9	717.1	26.7
Unplanned corrective maintenance	169.9	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	169.9	-	4.4	17.2	12.7	21.1	61.2	72.0	-	-	85.9	717.1	26.7
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Metered offtakes and dividend reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	-	-	-	-	-	-	-	-	-	-	-	-	-

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.

The QCA's allowance for 2020/21 included \$4.4k to complete an asset revaluation. This project was not undertaken as part of the annuity-funded program of works, with funds diverted to the commencement of a project to replace a damaged outlet works (inlet) vertical lift gate.

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 an outlet works inlet gate.

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

Lower Fitzroy 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	(382.5)	(559.4)	(587.1)	(488.6)	(389.8)	(336.1)	(198.6)	(205.2)	(829.5)
Spend ²	(169.9)	-	(17.2)	(21.1)	(72.0)	-	(85.9)	(717.1)	(26.7)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	7.7	-	-	-	-	-	-	-	-
Annuity contribution ³	13.9	14.3	141.3	141.2	142.7	152.2	87.9	101.8	109.1
Interest/financing costs	(28.6)	(41.9)	(25.7)	(21.4)	(17.0)	(14.7)	(8.7)	(9.0)	(36.3)
Sunwater – Closing balance	(559.4)	(587.1)	(488.6)	(389.8)	(336.1)	(198.6)	(205.2)	(829.5)	(783.4)
QCA – Closing balance	(559.4)	(578.7)	(467.1)	(407.4)	(282.5)	(142.7)			
Difference	-	(8.4)	(21.5)	17.6	(53.5)	(55.9)			

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

Appendix 1—Historical water usage

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

Year	Usage (ML)
2010/11	13,505
2011/12	18,595
2012/13	18,493
2013/14	20,900
2014/15	18,104
2015/16	19,879
2016/17	19,058
2017/18	19,741
2018/19	18,929
2019/20	17,734
2020/21	16,707
19-year historical average	18,696

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

Lower Fitzroy Bulk Water Service Contract	2018/19 Sunwater / QCA Actual \$'000	2019/20 Sunwater Actual \$'000	QCA Target \$'000	2020/21 Sunwater Actual \$'000	Variance \$'000	2021/22 Sunwater Forecast \$'000	QCA Target \$'000	2022/23 Sunwater Forecast \$'000	QCA Target \$'000	2023/24 Sunwater Forecast \$'000	2024/25 Sunwater Forecast \$'000	2025/26 Sunwater Forecast \$'000	2026/27 Sunwater Forecast \$'000
Operating costs													
Operations	238.1	299.7	187.7	246.0	58.3	345.9	191.7	283.2	196.3	292.8	303.8	312.2	323.7
Labour	51.4	76.6	44.2	61.3	17.1	72.8	45.2	65.1	46.4	67.0	69.0	71.1	73.2
Contractors	2.0	2.3	3.6	2.1	(1.5)	34.0	3.7	15.0	3.8	15.4	15.8	16.3	16.7
Materials	0.0	1.4	0.5	1.8	1.2	2.0	0.5	2.0	0.5	2.1	2.1	2.2	2.2
Electricity	2.2	2.3	1.9	2.2	0.3	1.8	1.9	1.9	2.0	1.9	2.1	2.2	2.2
Insurance	22.4	25.6	28.3	34.0	5.7	45.2	28.8	35.0	29.5	37.8	40.8	44.0	47.5
Other	37.7	41.2	22.2	9.1	(13.1)	23.7	22.6	23.0	23.1	22.5	24.0	23.5	23.0
Local area support costs	42.9	40.3	21.3	33.5	12.2	47.9	21.8	42.3	22.3	43.6	44.9	46.2	47.6
Corporate support costs	49.6	58.0	34.1	56.7	22.6	69.1	34.9	61.8	35.7	63.7	65.6	67.5	69.6
Indirect costs	29.8	51.9	31.5	45.3	13.8	49.4	32.2	37.2	33.0	38.9	39.5	39.3	41.8
Preventative maintenance	32.7	45.4	35.5	103.7	68.1	59.8	36.3	70.9	37.2	73.1	75.1	76.9	79.6
Labour	9.4	13.0	10.5	17.1	6.6	15.5	10.7	19.5	11.0	20.1	20.7	21.3	21.9
Contractors	1.1	2.3	0.6	39.9	39.2	5.0	0.6	5.0	0.6	5.1	5.3	5.4	5.6
Materials	0.2	0.2	0.8	0.2	(0.6)	1.0	0.8	1.0	0.9	1.0	1.1	1.1	1.1
Other	0.7	3.2	2.9	6.5	3.6	3.0	2.9	3.0	3.0	3.1	3.2	3.3	3.3
Local area support costs	8.9	7.9	5.1	10.5	5.4	10.1	5.2	12.7	5.3	13.1	13.4	13.9	14.3
Corporate support costs	7.9	9.7	8.1	16.1	8.0	14.7	8.3	18.5	8.5	19.1	19.7	20.2	20.9
Indirect costs	4.5	9.0	7.5	13.3	5.9	10.5	7.7	11.2	7.8	11.7	11.9	11.8	12.5
Corrective maintenance	1.1	38.3	11.2	35.1	23.9	52.3	11.4	100.9	11.7	104.1	106.9	109.5	113.2
Labour	-	3.6	1.5	6.6	5.2	8.9	1.5	24.5	1.5	25.3	26.0	26.8	27.6
Contractors	1.1	19.6	3.8	8.9	5.1	10.0	3.9	10.0	4.0	10.3	10.6	10.8	11.1
Materials	0.0	0.7	0.7	1.4	0.7	5.0	0.7	5.0	0.7	5.1	5.3	5.4	5.6
Other	0.0	7.2	2.4	2.3	(0.1)	8.0	2.4	8.0	2.5	8.2	8.4	8.7	8.9
Local area support costs	-	2.0	0.7	3.8	3.1	5.8	0.7	16.0	0.7	16.4	16.9	17.4	18.0
Corporate support costs	-	2.8	1.1	6.8	5.7	8.5	1.2	23.3	1.2	24.0	24.7	25.5	26.2
Indirect costs	-	2.4	1.0	5.2	4.2	6.1	1.1	14.0	1.1	14.7	14.9	14.8	15.8
Operating costs total	271.9	383.3	234.4	384.8	150.4	458.0	239.4	455.0	245.2	470.0	485.8	498.7	516.6
Annuity-funded costs													
Labour	-	-	0.9	3.5	2.6	3.2	9.4	12.1	-	-	14.4	120.9	4.5
Contractors	-	-	0.5	2.1	1.6	10.5	30.5	13.3	-	-	15.8	132.0	4.9
Materials	-	-	-	-	-	-	-	13.3	-	-	15.8	132.0	4.9
Other	-	-	0.8	3.0	2.2	-	-	7.2	-	-	8.6	72.0	2.7
Local area support costs	-	-	0.5	2.0	1.5	2.1	6.1	7.8	-	-	9.4	78.6	2.9
Corporate support costs	-	-	1.0	3.8	2.8	3.1	8.9	11.4	-	-	13.7	114.8	4.3
Indirect costs	-	-	0.7	2.7	2.0	2.2	6.4	6.9	-	-	8.3	66.8	2.6
Annuity-funded total¹	169.9	-	4.4	17.2	12.7	21.1	61.2	72.0	-	-	85.9	717.1	26.7
Total costs²	441.8	383.3	238.8	401.9	163.1	479.1	300.6	526.9	245.2	470.0	571.7	1215.8	543.3

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 Lower Fitzroy Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Eden Bann Weir	Replace – damaged outlet works (inlet) vertical lift gate.	60	17	This project was deferred due to the weather.
Scheme	Study – audit and review of all scheme switchboards and distribution boards to reassess arc flash rating in accordance with Australian Standards.	13	0	Sunwater was unable to complete this project during the financial year due to operational demands limiting the ability to affect an outage to gain access to the infrastructure.
Multiple	Various projects.	8	0	The asset revaluation was not undertaken as part of the annuity-funded program of works and the service contract's contingency amount was not required.
2020/21 Total		81	17	

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

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	Eden Bann Weir	Replace – outlet works inlet gate (Waterman vertical lift gate).	72
	2022/23 Total		72
2023/24	There are no annuity-funded projects planned for 2023/24.		0
	2023/24 Total		0
2024/25	Eden Bann Weir	Replace – outlet works inlet trash racks based on known asset condition and age.	45
	Eden Bann Weir	Replace – fishway exit channel trash screen based on known asset condition and age.	21
	Eden Bann Weir	Replace – supervisory control and data acquisition (SCADA) computer and software based on known asset condition and age.	20
	2024/25 Total		86
2025/26	Eden Bann Weir	Refurbish – facility access roads based on known asset condition and age.	389
	Eden Bann Weir	Refurbish – left and right abutment protection works based on known asset condition and age.	182
	Eden Bann Weir	Refurbish – main access road culverts based on known asset condition and age.	55
	Eden Bann Weir	Refurbish – fishway holding chamber handrails based on known asset condition and age.	26
	Eden Bann Weir	Refurbish – outlet works collapsible handrails based on known asset condition and age.	26
	Multiple	There are six other annuity-funded projects planned for 2025/26 related to access crossing culvert refurbishments; a gauging station recorder building refurbishment; a gauging equipment replacement; an asset revaluation; and a fishway intake screen refurbishment on the Lower Fitzroy River.	39
	2025/26 Total		717
2026/27	Eden Bann Weir	Study – comprehensive inspection to meet asset management, condition, and risk standards.	27
	2026/27 Total		27

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.