

Service and Performance Plan – 2020/21

Mareeba-Dimbulah Bulk Water Service Contract

This fact sheet details a range of proposed scheme activities and projects, and presents a breakdown of anticipated costs. It also compares Sunwater's actual costs for 2018/19 with our previous forecasts for this scheme.

Highlights

Our performance in 2018/19

In our 2018/19 Network Service Plan (NSP) for the Mareeba-Dimbulah Bulk Water Service Contract,¹ we expected to spend \$1.42 million on routine costs and \$0.38 million on non-routine projects. Our actual performance was broadly in line with these forecasts.

Outlook for 2020/21

Routine costs (\$1.53 million) are expected to increase slightly compared to what we previously forecast in last year's NSP (\$1.49 million in 2020/21).²

Sunwater plans to spend approximately \$0.61 million on non-routine projects, which is higher than our previous forecast (\$0.33 million). This is primarily because of:

- the deferral of the Tinaroo Falls Dam upstream left abutment rock protection works from 2019/20 to 2020/21 due to high water storage levels
- a new project to install gates and bollards at the saddle dam at Tinaroo Falls Dam
- the carryover from 2019/20 of the foundation drain cleaning at Tinaroo Falls Dam to enable better scope definition and cost management.

Irrigation charges for 2020/21

On 10 February 2020, the Queensland Competition Authority (QCA) released its final recommendations on irrigation prices to be charged by Sunwater for the 2020/21 to 2023/24 price path period. The Queensland Government is currently considering the QCA's recommendations and will make a final decision and set Sunwater's irrigation prices.

¹ See www.sunwater.com.au/schemes/Mareeba-Dimbulah/

² Excluding routine recreational facility costs.

Until this decision is made, Sunwater is unable to publish 2020/21 irrigation prices or compare our forecast costs against targets recommended by the QCA. Customers can access the QCA’s recommended costs at: www.qca.org.au/project/rural-water/irrigation-price-investigations/

Sunwater will publish irrigation prices for the Mareeba-Dimbulah Bulk Water Service Contract on our website as soon as practicable after the decision: www.sunwater.com.au/customer/fees-and-charges/

Service targets

Sunwater and customers have agreed Water Supply Arrangements and Service Targets for the Mareeba-Dimbulah Bulk Water Service Contract. Table 1 below sets out our recent performance against selected service targets for this scheme.

Table 1 Service targets and performance

Service target	Target	Number of exceptions			
		2016/17	2017/18	2018/19	
Planned shutdowns – notification	For shutdowns planned to exceed 2 weeks	6 months	0	0	0
	For shutdowns planned to exceed 3 days	4 weeks	0	0	0
	For shutdowns planned to be less than 4 days	5 days	0	0	0
Unplanned shutdowns – duration ¹	Unplanned shutdowns during Peak Demand Period	72 hours	0	2	0
	Unplanned shutdowns outside Peak Demand Period	5 working days			
Maximum number of interruptions ²	Planned or unplanned interruptions per water year	10	4	7	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.

Water usage

The amount of water used in a scheme within a given year impacts operations and expenditure. Table 2 contains the scheme’s water use for 2018/19, together with water use in recent years and the 17-year average for the 2002/03 to 2018/19 period.

Table 2 Water usage

Year	Usage (ML)
2014/15	155,874
2015/16	161,879
2016/17	138,918
2017/18	117,886
2018/19	121,486
17-year historical average	131,945

Routine expenditure

Routine (or annual) expenditure includes funds for operations activities, preventative maintenance and corrective maintenance.

Table 3 Routine expenditure^{1,2}

Mareeba-Dimbulah Bulk Water Service Contract	2016/17	2017/18	2018/19			Commentary	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Sunwater Actual \$'000	Sunwater Actual \$'000	Sunwater Forecast \$'000	Sunwater Actual \$'000	Variance \$'000		Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	745.5	686.9	1055.4	911.7	(143.7)		985.8	1095.7	1136.9	1176.5	1209.2	1232.7
Labour	147.8	119.1	164.3	178.8	14.5	Local area support and indirect cost rates were adjusted downwards from April to June 2019 due to over-recoveries in the previous months across the entire business (regulated and non-regulated). Meanwhile, corporate support cost rates were adjusted upwards due to under-recoveries.	167.3	186.3	191.9	197.7	202.6	207.7
Contractors	7.4	10.0	10.3	13.4	3.1		12.0	12.0	12.3	12.6	12.9	13.2
Materials	1.7	0.5	2.1	11.0	8.9		3.0	3.0	3.1	3.2	3.2	3.3
Electricity	5.3	4.0	3.0	4.2	1.2		0.9	0.8	0.9	1.0	1.0	1.1
Insurance	159.0	146.0	154.2	155.8	1.6		178.8	214.5	219.9	225.4	231.0	236.8
Other	140.4	131.0	149.9	82.6	(67.3)		174.7	177.4	181.8	186.4	191.1	196.0
Local area support costs	111.8	89.8	199.0	156.7	(42.3)		88.9	103.4	115.5	127.1	128.6	110.6
Corporate support costs	51.8	59.3	106.8	173.8	67.0		119.9	139.7	143.9	148.3	152.0	155.8
Indirect costs	120.3	127.3	266.0	135.5	(130.5)		240.3	258.5	267.6	275.0	286.7	308.2
Preventative maintenance	253.6	308.5	272.0	409.7	137.7	301.9	294.1	305.4	316.5	326.0	331.5	
Labour	81.1	91.8	69.0	99.4	30.4	Preventative maintenance costs were higher than forecast as Sunwater performed weed control in the storage (water hyacinth) and undertook additional required vegetation management on Sunwater lands.	75.0	76.6	78.9	81.3	83.3	85.4
Contractors	24.8	24.5	20.0	62.5	42.5		25.0	25.0	25.6	26.3	26.9	27.6
Materials	2.4	2.3	3.0	4.0	1.0		3.0	3.0	3.1	3.2	3.2	3.3
Other	3.2	11.7	10.0	2.6	(7.4)		32.0	38.0	39.0	39.9	40.9	41.9
Local area support costs	69.7	71.4	84.2	102.0	17.7		43.8	46.2	51.3	57.3	58.4	50.8
Corporate support costs	24.2	37.5	44.9	87.4	42.5		53.8	57.5	59.2	61.0	62.5	64.1
Indirect costs	48.2	69.3	40.8	51.8	10.9	69.2	47.7	48.3	47.5	50.6	58.4	
Corrective maintenance	114.2	18.4	88.4	83.2	(5.2)	174.7	162.7	169.7	175.7	180.9	183.3	
Labour	12.7	4.9	19.7	21.6	1.9	Actual corrective maintenance costs were broadly in line with forecasts.	44.3	43.6	44.9	46.3	47.5	48.6
Contractors	73.2	1.7	15.0	11.8	(3.2)		25.0	20.0	20.5	21.0	21.5	22.1
Materials	1.2	2.1	2.0	5.7	3.7		3.0	3.0	3.1	3.2	3.2	3.3
Other	1.2	0.0	2.0	0.5	(1.5)		2.0	11.0	11.3	11.6	11.8	12.1
Local area support costs	11.0	3.8	25.2	15.2	(10.0)		27.8	25.2	28.7	31.9	32.5	27.5
Corporate support costs	7.3	2.1	12.8	17.9	5.1		31.8	32.7	33.7	34.7	35.6	36.5
Indirect costs	7.6	3.7	11.6	10.5	(1.2)	40.9	27.2	27.5	27.1	28.8	33.2	
Routine total	1113.2	1013.9	1415.7	1404.6	(11.1)		1462.4	1552.5	1612.1	1668.7	1716.1	1747.5
Recreational facility costs ³	Recreational facility costs are included in the above line items, as irrigation customers previously contributed towards them.						18.1	18.5	19.0	19.4	19.9	
Routine total (excl. recreational facility costs)							1534.4	1593.6	1649.8	1696.6	1727.6	

1. All financial figures are nominal. Figures may not sum due to rounding.
2. Sunwater's 2020/21 to 2024/25 budget figures are draft as at the time of publication. These figures will not be locked down until late in the financial year prior.
3. From 1 July 2020, irrigation customers will no longer contribute towards the costs of operating and maintaining recreational facilities. Forecast costs have been separately identified for transparency.

Annuity balance and non-routine expenditure

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/rehabilitation of assets over a pre-determined period of time. The forecast annuity balances, and the impacts of budgeted non-routine spend, are shown in Table 4.

A comparison of forecast and actual non-routine projects for 2018/19 is provided in **Appendix 1**, with details of the major non-routine projects planned for the 2020/21 to 2024/25 period set out in **Appendix 2**.

Table 4 Annuity balance¹

Mareeba-Dimbulah Bulk Water Service Contract	2017/18 Actual \$'000	2018/19 Actual \$'000	2019/20 Forecast \$'000	2020/21 Forecast \$'000	2021/22 Forecast \$'000	2022/23 Forecast \$'000	2023/24 Forecast \$'000	2024/25 Forecast \$'000
Annuity								
Opening balance ²	(29.3)	(149.1)	(398.6)	(617.3)	(586.9)	(354.2)	217.9	599.7
Non-routine spend ³	(240.9)	(364.6)	(318.4)	(611.4)	(416.8)	(103.1)	(335.1)	(873.4)
Insurance proceeds receipts (if applicable)								
Prior year	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-
Annuity contribution ⁴	123.2	126.3	129.5	668.8	675.1	690.7	707.3	724.2
Interest/financing costs	(2.2)	(11.2)	(29.9)	(27.0)	(25.7)	(15.5)	9.5	26.2
Sunwater – Closing Balance	(149.1)	(398.6)	(617.3)	(586.9)	(354.2)	217.9	599.7	476.7
QCA – Closing Balance	(149.1)	(398.6)	(579.9)	(259.6)	(159.1)	139.2	504.9	
Difference	-	-	37.4	327.3	195.0	(78.8)	(94.7)	

1. All financial figures are nominal. Figures may not sum due to rounding.
2. The opening balances for 2017/18, 2018/19 and 2019/20 reflect the QCA's irrigation price investigation 2020–24 final recommendations and differ to previous opening balances published by Sunwater.
3. The non-routine spend for 2017/18 and 2018/19 reflects the QCA's irrigation price investigation 2020–24 final recommendations, which included adjustments to Sunwater's actual costs. From 2019/20, the non-routine spend is based on Sunwater's forecasts.
4. 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 irrigation price investigation 2020–24 final recommendations. The forecast annuity contribution for 2024/25 has been calculated by applying CPI to the 2023/24 annuity contribution.

Appendix 1: Comparison of forecast and actual non-routine projects for 2018/19

The below table sets out the major non-routine projects planned for the Mareeba-Dimbulah Bulk Water Service Contract in 2018/19 and the actual projects undertaken.

Project	Forecast \$'000	Actual ¹ \$'000	Commentary
Tinaroo Falls Dam – Comprehensive inspection (19TIN07)	138	91	The project was completed for less than budgeted. Surplus funds were used to partially fund the irrigation regulating gates project (see below).
Tinaroo Falls Dam – Replace electric actuator (19TIN04)	53	65	The project cost more than budgeted due to a higher level of technical input required than otherwise planned.
Tinaroo Falls Dam – Plug inlet pipes (19TIN02)	24	33	Findings of initial investigations instigated a change to the scope of works. Additional budget was required to complete pipeline thickness testing.
Tinaroo Falls Dam – Irrigation regulating gates x4 (19TIN08)	92	147	Quotes sought from two suppliers for the design, fabrication, supply, installation and commissioning of four vertical gates and gate guides were higher than forecast. In addition, Sunwater incurred internal labour costs for project management, field staff and technical services.
Tinaroo Falls Dam – River outlet Supervisory Control and Data Acquisition (SCADA) options (19TIN06)	20	7	Works were deferred to future years, following a site condition assessment which determined that the river outlet can be manually operated in the event of a failure of the SCADA panel.
Other works	49	41	Fewer meters required replacing than budgeted.
2018/19 Total²	376	384	

1. Actual costs incurred by Sunwater. This figure differs to the 2018/19 non-routine spend in Table 4, which has been adjusted to reflect the QCA's irrigation price investigation 2020–24 final recommendations. The QCA has used the adjusted figure in Table 4 to calculate its final recommended irrigation prices for 2020–24.
2. All financial figures are nominal. Figures may not sum due to rounding.

Appendix 2: Non-routine projects for 2020/21 to 2024/25

The below table sets out Sunwater’s currently planned non-routine projects for the 2020/21 to 2024/25 period for this scheme. While the 2020/21 program is well defined, estimates become more uncertain further into the planning timeline. Forecasts are likely to change in future Service and Performance Plans, reflecting changes in project delivery timing; asset condition and risk updates; outcomes from scheduled asset inspections; and customer feedback.

Year	Project title	Project scope	Budget (\$'000 nominal)
2020/21	Tinaroo Falls Dam – Comprehensive risk assessment (CRA) inputs	The CRA is a dam safety condition and is scheduled for 2022. This project will undertake investigation, analysis and reporting as inputs to the CRA.	135
	Tinaroo Falls Dam – Protection works	Reinstate the upstream left abutment rock protection system (rip rap) to redress erosion damage in accordance with the 2017 dam safety report recommendations.	97
	Tinaroo Falls Dam – Screen refurbishments	Scheduled refurbishment of 36 river inlet trash screens to restore condition and maintain function.	79
	Tinaroo Falls Dam – Seismic study	Undertake a dam seismic study to provide additional information to the Tinaroo Falls Dam CRA and related dam safety investigations.	56
	Meter replacements	This is an allowance to replace failed customer meters in the Barron River system with Australian Standard (AS) 4747 compliant arrangements that ensure accurate and robust water accounting and improve system delivery efficiency.	33
	Tinaroo Falls Dam – Foundation drain cleaning	Undertake scheduled foundation drain cleaning to ensure uplift pressures and dam stability factors are managed effectively.	65
	Tinaroo Falls Dam – Radial gate refurbishment	Blast and paint the standby radial gate to enable quick change out of the irrigation regulator and rotate units by condition.	32
	Tinaroo Falls Dam – Saddle Dam gates	Install gates and bollards to prevent unauthorised access and damage to the upstream abutments and groins.	22
	Tinaroo Falls Dam – Control system strategy	Investigate a SCADA telemetry and controls strategy for five sites to ensure continued effective control and surveillance over dam river and outlet works assets.	25
	Other works	A contingency amount for unplanned capital replacements, asset revaluation and saddle dam drainage works.	67
	2020/21 Total		611

Year	Project title	Project scope	Budget (\$'000 nominal)
2021/22	Tinaroo Falls Dam – Post tensioning	The Australian National Committee on Large Dams Incorporated (ANCOLD) Guidelines on post tensioned dams recommends that they are tested every five years to determine if the tensioning has decreased or slipped. If it has, the anchors will need to be re-tensioned to maintain the required level of safety.	277
	Tinaroo Falls Dam – CRA	This is a dam safety condition. The assessment will use the inputs, reports and analysis completed in 2021.	106
	Meter replacements	This is an allowance to replace failed customer meters in the Barron River system with AS4747 compliant arrangements that ensure accurate and robust water accounting and improve system delivery efficiency.	34
	Other works	There are no other non-routine projects planned for 2021/22.	-
	2021/22 Total		417
2022/23	Tinaroo Falls Dam – Outlet works	Refurbish, paint and re-seal irrigation and river outlet valve house roofs and walls to ensure continued structure function and equipment protection.	68
	Meter replacements	This is an allowance to replace failed customer meters in the Barron River system with AS4747 compliant arrangements that ensure accurate and robust water accounting and improve system delivery efficiency.	35
	Other works	There are no other non-routine projects planned for 2022/23.	-
	2022/23 Total		103
2023/24	Tinaroo Falls Dam – Comprehensive inspection	Sunwater conducts comprehensive inspections on each dam every five years to identify defects and plan for their repair. Keeping the condition and risk data current allows us to defer projects if they can be deferred and bring forward higher risk projects if required. This is also a requirement of the dam safety condition schedule for each dam.	172
	Tinaroo Falls Dam – Irrigation inlet	The steel bell mouth is starting to corrode and will need to be repainted in-situ to extend its life. The condition will be assessed, and the timing and scope of works amended to achieve least whole-of-life cost.	106
	Tinaroo Falls Dam – Compensator gate	The compensator gate in the irrigation channel is in a similar condition to the vertical lift gates and will be removed, blasted and painted before being returned to service.	39
	Other works	Clean Tinaroo Falls Dam spillway weep hole, and clean and repair spillway surface defects.	18
	2023/24 Total		335

Year	Project title	Project scope	Budget (\$'000 nominal)
2024/25	Tinaroo Falls Dam – Facilities refurbishment	Refurbish fencing assets across the entire facility. The scope of works, timing and costing will be subject to a condition assessment and development of a prudent and efficient strategy that manages public access and operational risk.	328
	Tinaroo Falls Dam – Main wall drain refurbishment	Refurbish formed internal drains and V-notch weirs to ensure continued sub-surface relief of uplift pressure. The scope and timing of works will be subject to review of drainage performance.	180
	Tinaroo Falls Dam – Foundation drain cleaning	Undertake scheduled foundation drain cleaning to ensure uplift pressures and dam stability factors are managed effectively. Scope and timing are subject to a review of drain performance.	144
	Tinaroo Falls Dam – Road refurbishments	Scheduled refurbishment of river, irrigation and storage shed access roads to ensure continued safe and efficient access.	103
	Tinaroo Falls Dam – Spillway protection works	Reinstate dislodged downstream left bank rock protection works at the spillway to ensure releases do not erode back towards the spillway apron and wing walls. The condition of the protection works is assessed annually, and the timing and scope of works will be subject to a condition assessment.	64
	Other works	Tinaroo Falls Dam outlet works handrails, general site signage replacements and refurbish capstan winch.	54
	2024/25 Total		873

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.