



Final Service and Performance Plan

2022/23

St George Bulk Water Service Contract

20 July 2022

Contents


- At a glance2
- Introduction3
- Delivering services to our customers4
- Financial summary—Revenue and expenditure6
- Cost of delivering services—Operating expenditure7
- Cost of delivering services—Annuity and non-annuity funded expenditure 9
- Annuity balance12
- Appendix 1—Historical water usage13
- Appendix 2—Operating and annuity-funded costs by expense type14
- Appendix 3—Comparison of forecast and actual annuity-funded projects for 2020/2115
- Appendix 4—Annuity-funded projects for 2022/23 to 2026/2716

At a glance

Our performance in 2020/21

 **Operating costs:**
\$1.33 million (10.6% more than QCA target)


The key drivers of the cost variance were higher operations (labour) costs as a result of 24-hour flood operations in March and April 2021, higher insurance costs, and local area and corporate support costs.

 **Annuity-funded costs:**
\$0.76 million (292.9% more than QCA target)

The cost variance was primarily driven by repairs undertaken to address damage to the area immediately downstream of the spillway at Beardmore Dam and the commencement of the comprehensive risk assessment (and associated input studies) for the dam.


 **Total water deliveries:**
89,521 ML

Water delivered to irrigators: 88,264 ML

 **Service targets: Met**


No exceptions

Outlook for 2022/23

 **Forecast operating costs:**
\$1.37 million

Significant areas of expenditure:

- insurance (\$0.20 million)
- operations (\$0.93 million)
- preventative maintenance (\$0.19 million).

 **Forecast annuity-funded costs:**
\$1.05 million

Key projects planned:

- replace customer meters to ensure compliance with DRDMW’s non-urban metering standard (\$0.58 million)
- refurbish upstream and downstream left wingwalls at Jack Taylor Weir (\$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 sets out Sunwater’s actual costs for 2020/21.

The purpose of this year’s S&PP for the St George 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 operations activities are implemented safely, timely and efficiently. Sunwater’s focus over the short to medium term for the scheme will be to ensure both dual purpose meters and meters that take supplemented water only, meet the Department of Regional Development, Manufacturing and Water’s (DRDMW) non-urban metering standard and are completed in accordance with legislative timeframes. Upgraded meters will also allow for back to base technology to be employed, providing for remote real time meter reading which will increase operational efficiencies.

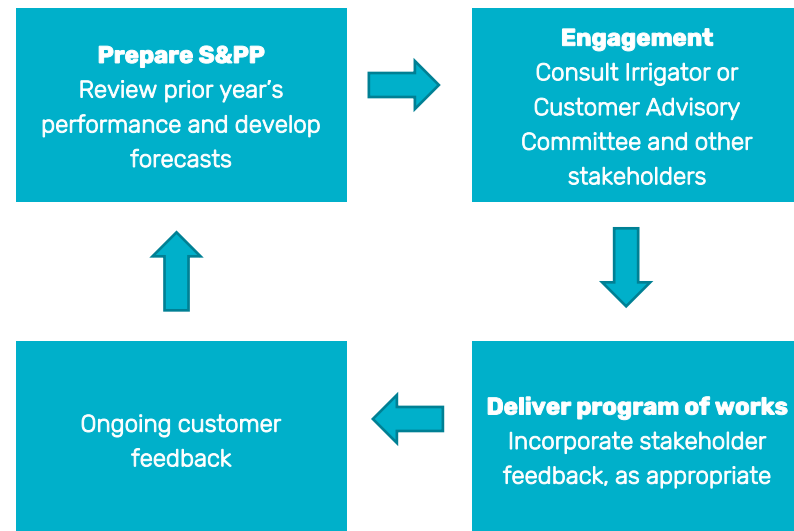
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 majority of the 176 customers in this scheme are irrigators who grow cotton, wheat, grapes, peanuts, carrots, mung beans, chickpeas, onions, and other small crops. Water is also supplied to the town of St George.

The water allocations for each customer segment are included in Table 1, together with water deliveries in 2020/21. Historical total water usage is available in **Appendix 1**.

Table 1: Water allocations and usage data

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2020/21 (ML)
Irrigation	81,471	3000	78,471	88,264
Urban	3024	0	3024	1146
Industrial	60	0	60	0
Sunwater	20	0	20	112
Total	84,575	3000	81,575	89,521

Irrigation charges

The 2022/23 charges and cost per megalitre are shown in Table 2.

Table 2: Irrigation charges for 2022/23¹

Tariff group	Product	2022/23 (\$/ML) ²	QCA cost-reflective (\$/ML) ³
River – Medium Priority	Allocation Charge – Part A	19.91	23.95
	Allocation Water – Part B	0.94	1.14
Local Management Supply – Medium Priority	Allocation Charge – Part A	19.91	23.95
	Allocation Water – Part B	0.94	1.14
Local Management Supply – High Priority	Allocation Charge – Part A	29.94	39.07
	Allocation Water – Part B	0.94	1.14

1. This table includes bulk water charges only. Distribution charges are set by Mallowa Irrigation Ltd.
2. Includes the Queensland Government’s 15 per cent discount for irrigation customers. Refer to www.rdmw.qld.gov.au for more information.
3. 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 St George 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 ¹	Unplanned shutdowns during Peak Demand Period	48 hours	0	0	0
	Unplanned shutdowns outside Peak Demand Period	5 working days			
Maximum number of interruptions	Planned or unplanned interruptions per water year	6	0	0	0

1. This is the number of times that the unplanned shutdown has exceeded the shortest of the peak/off peak periods.

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

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

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Beardmore Dam	Earth and rock fill embankment with a central mass concrete gated spillway. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	81,700
Jack Taylor Weir	Mass concrete structure with a gated ogee crest and bucket.	10,270

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the St George 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.

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 St George 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)

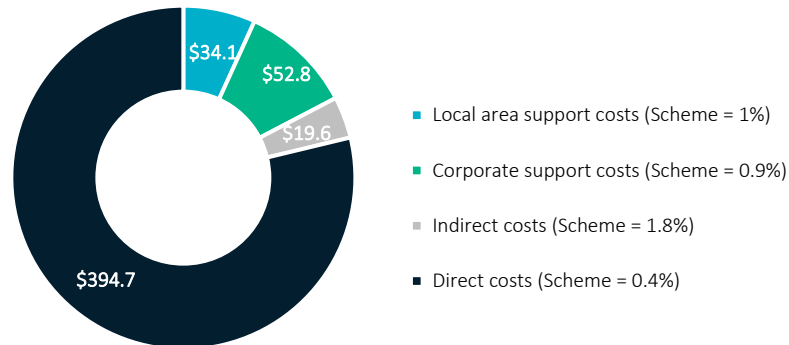


Table 6: Service contract financial summary

St George 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	1471.4	1826.1	1835.5	1756.9	1751.3
Community Service Obligation	-	-	164.3	-	-
Industrial ¹	6.6	6.7	6.8	6.9	6.9
Urban ¹	188.7	190.9	194.3	197.7	197.7
Revenue transfers ²	280.4	-	-	-	-
Drainage	-	-	-	-	-
Other	2.1	2.0	2.0	1.0	1.0
Revenue total	1949.3	2025.6	2202.9	1962.5	1957.0
Less – Operating expenditure	1086.3	1264.8	1362.6	1462.2	1407.5
Less					
Annuity-funded	3740.4	3185.6	761.7	801.6	1046.3
Non-annuity funded ³	-	-	-	-	228.8
Surplus (deficit)	(2877.4)	(2424.8)	78.7	(301.3)	(725.6)

- 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 distribution system. Since the transfer of the distribution system to Mallowa Irrigation Ltd on 30 June 2018, Mallowa Irrigation has been invoiced directly for its contribution to the cost of the bulk water service. Therefore, this revenue is now part of "Irrigation" revenue.
- This is expenditure which has not been funded by irrigation customers. An example of this in the St George Bulk Water Service Contract is recreational facility projects from 2020/21.

Cost of delivering services—Operating expenditure

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

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

Table 7: Operating expenditure¹

St George 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	766.7	952.7	794.1	1058.6	264.5	1122.3	810.9	1136.3	830.4	1184.6	1225.4	1266.2	1320.4
Electricity	5.7	6.8	6.5	3.7	(2.8)	8.0	6.6	4.0	6.7	4.1	4.2	4.3	4.5
Insurance	109.6	126.5	138.0	168.9	30.9	224.7	140.7	204.0	144.0	220.1	237.4	256.2	276.4
Operations	651.5	819.3	649.6	886.0	236.4	889.6	663.6	928.3	679.7	960.4	983.7	1005.7	1039.6
Preventative maintenance	315.4	259.5	335.6	231.0	(104.6)	244.6	342.9	189.2	351.3	195.2	200.6	205.5	212.4
Corrective maintenance	4.2	52.7	72.6	40.1	(32.5)	59.1	74.2	46.6	76.0	48.0	49.3	50.6	52.2
Operating costs total	1086.3	1264.8	1202.3	1329.8	127.5	1426.0	1228.1	1372.1	1257.7	1427.9	1475.3	1522.3	1585.0
Recreational facility costs ³				32.8		36.2		35.4		36.6	37.5	38.3	39.6
Operating costs total (incl. recreational facility costs)	1086.3	1264.8		1362.6		1462.2		1407.5		1464.4	1512.8	1560.6	1624.6

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.

Our performance in 2020/21

In 2020/21, operating costs were above the QCA's recommended cost target. This was primarily due to higher operations (labour) costs as a result of 24-hour flood operations in March and April 2021, higher insurance costs, and local area and corporate support costs attributable to operations activities.

Outlook for 2022/23 Operations

St George Bulk Water Service Contract's total operations budget in 2022/23 is 36.8 per cent above the QCA's recommended cost target. This variance is largely driven by labour costs, insurance (see below), and non-direct costs.

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 St George Bulk Water Service Contract are 46.1 per cent below the QCA's recommended cost target. This is because of lower labour costs and lower local area support, corporate support and indirect costs attributed to preventative maintenance activities.

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$46.6k on corrective maintenance in the St George Bulk Water Service Contract. This is 38.7 per cent below the QCA's recommended cost target, primarily due to lower labour and non-direct costs.

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 8 outlines our annuity and non-annuity funded expenditure for this service contract.

Table 8: Annuity and non-annuity funded expenditure^{1,2}

St George 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	3740.4	3185.6	193.8	761.7	567.8	801.6	475.1	1046.3 ⁶	289.7	224.6	661.7	623.5	745.1
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	3740.4	3185.6⁵	193.8	761.7	567.8	801.6	475.1	1046.3	289.7	224.6	661.7	623.5	745.1
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	-	-	228.8	-	93.1	95.6	98.1	-
Metered offtakes and dividend reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	-	-	-	-	-	-	-	228.8	-	93.1	95.6	98.1	-

1. Sunwater’s 2022/23 to 2026/27 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Forecast annuity-funded costs from 2020/21 exclude recreational facility projects.
3. The annuity-funded spend for 2018/19 reflects the QCA’s 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater’s actual costs.
4. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations.
5. Sunwater’s actual costs in 2019/20 were \$3.81 million. However, as agreed with customers, an adjustment has been made to exclude the cost of additional downstream rock protection works that were incurred as part of the Thuraggi Channel repair project.
6. Meter replacement requirements will be reviewed annually based on work completed in previous years and completion against legislative timeframes.

Our performance in 2020/21

Performance against the QCA target

Sunwater updates our program of works based on our whole-of-life replacement and maintenance strategy, which looks at the risk and condition of each asset and uses this information to estimate the future work required to ensure the asset will continue to provide the required level of service into the future. Other factors such as changes in project delivery timing (e.g. due to weather) may also affect the program of works.

These factors mean the actual program of works delivered in any given year will differ to the program assessed by the QCA. At a project level, cost variances may also occur due to changes in the scope of work and cost inputs.

In 2020/21, total annuity-funded costs were higher than the QCA's recommended cost target. This was primarily driven by repairs undertaken to address damage to the area immediately downstream of the spillway at Beardmore Dam and the commencement of the comprehensive risk assessment (and associated input studies) for the dam.

Project level cost variances

Appendix 3 provides a comparison of the annuity-funded projects planned for 2020/21 and the actual projects undertaken, together with justification for the variances.

Outlook

Details of the major annuity-funded projects planned for the 2022/23 to 2026/27 period are set out in **Appendix 4**. In 2022/23, Sunwater plans to replace customer meters and undertake a survey of Jack Taylor Weir to confirm the current storage volume.

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 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

St George 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	279.0	(2750.2)	(5434.2)	(5613.1)	(5834.6)	(6258.8)	(5869.5)	(5487.7)	(5047.4)
Spend ²	(3740.4)	(3185.6)	(761.7)	(801.6)	(1046.3)	(224.6)	(661.7)	(623.5)	(745.1)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	-	-	-	-	-	-	-	-
Annuity contribution ³	690.3	707.5	820.4	825.5	877.2	887.6	1300.2	1303.8	1304.8
Interest/financing costs	20.9	(206.0)	(237.6)	(245.4)	(255.1)	(273.7)	(256.6)	(239.9)	(220.7)
Sunwater – Closing balance	(2750.2)	(5434.2)	(5613.1)	(5834.6)	(6258.8)	(5869.5)	(5487.7)	(5047.4)	(4708.3)
QCA – Closing balance	(2750.2)	(5638.9)	(5259.0)	(5138.5)	(4775.6)	(4224.0)			
Difference	-	204.7	(354.2)	(696.2)	(1483.2)	(1645.5)			

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 (adjusted for the Thuraggi Channel repair project). 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	37,624
2011/12	57,994
2012/13	67,285
2013/14	78,516
2014/15	90,226
2015/16	81,931
2016/17	88,350
2017/18	82,154
2018/19	92,247
2019/20	49,776
2020/21	89,521
19-year historical average	72,691

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

St George Bulk Water Service Contract	2018/19	2019/20	2020/21			2021/22		2022/23		2023/24	2024/25	2025/26	2026/27
	Sunwater / QCA Actual \$'000	Sunwater Actual \$'000	QCA Target \$'000	Sunwater Actual \$'000	Variance \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	QCA Target \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operating costs													
Operations	766.7	952.7	794.1	1058.6	264.5	1122.3	810.9	1136.3	830.4	1184.6	1225.4	1266.2	1320.4
Labour	165.0	269.8	133.4	217.1	83.7	214.2	136.5	225.5	140.0	232.2	239.2	246.4	253.7
Contractors	3.9	17.6	16.4	3.7	(12.7)	14.6	16.7	14.6	17.1	15.0	15.4	15.8	16.2
Materials	9.5	4.8	35.5	3.5	(32.0)	17.5	36.2	17.5	37.0	17.9	18.4	19.0	19.5
Electricity	5.7	6.8	6.5	3.7	(2.8)	8.0	6.6	4.0	6.7	4.1	4.2	4.3	4.5
Insurance	109.6	126.5	138.0	168.9	30.9	224.7	140.7	204.0	144.0	220.1	237.4	256.2	276.4
Other	64.5	101.0	49.7	80.5	30.7	70.1	50.7	101.2	51.9	103.7	106.2	106.8	109.4
Local area support costs	137.3	130.8	89.2	166.9	77.7	148.1	91.1	154.8	93.3	159.5	164.3	169.2	174.3
Corporate support costs	135.5	154.7	103.1	206.1	103.0	203.5	105.3	214.2	107.9	220.6	227.2	234.0	241.1
Indirect costs	135.7	140.7	222.2	208.2	(14.0)	221.7	227.0	200.6	232.5	211.5	213.0	214.5	225.4
Preventative maintenance	315.4	259.5	335.6	231.0	(104.6)	244.6	342.9	189.2	351.3	195.2	200.6	205.5	212.4
Labour	93.1	78.6	92.0	59.1	(33.0)	59.3	94.1	43.7	96.5	45.0	46.3	47.7	49.2
Contractors	24.9	11.1	24.2	20.0	(4.3)	25.2	24.7	25.2	25.3	25.9	26.6	27.4	28.1
Materials	2.0	8.5	6.9	0.6	(6.3)	8.7	7.0	8.7	7.2	9.0	9.2	9.5	9.7
Other	3.3	3.1	14.2	6.4	(7.8)	14.6	14.5	14.6	14.8	15.0	15.4	15.8	16.2
Local area support costs	78.2	45.1	61.5	43.8	(17.8)	40.2	62.8	30.6	64.4	31.5	32.4	33.4	34.4
Corporate support costs	71.7	59.3	71.1	54.8	(16.3)	56.3	72.6	41.5	74.4	42.7	44.0	45.3	46.7
Indirect costs	42.1	53.8	65.6	46.4	(19.2)	40.2	67.0	25.0	68.6	26.1	26.5	26.4	28.0
Corrective maintenance	4.2	52.7	72.6	40.1	(32.5)	59.1	74.2	46.6	76.0	48.0	49.3	50.6	52.2
Labour	0.7	4.7	17.3	3.6	(13.7)	12.2	17.7	8.7	18.2	9.0	9.3	9.5	9.8
Contractors	1.5	29.0	7.1	25.7	18.5	11.6	7.3	11.6	7.5	12.0	12.3	12.6	13.0
Materials	-	1.9	5.4	0.6	(4.7)	2.9	5.5	2.9	5.6	3.0	3.1	3.2	3.2
Other	0.9	8.2	5.5	2.3	(3.2)	3.9	5.6	3.9	5.7	4.0	4.1	4.2	4.3
Local area support costs	0.3	2.3	11.6	2.4	(9.2)	8.5	11.8	6.1	12.1	6.3	6.5	6.7	6.9
Corporate support costs	0.4	3.6	13.4	2.7	(10.7)	11.6	13.7	8.3	14.0	8.5	8.8	9.1	9.3
Indirect costs	0.4	3.0	12.3	2.8	(9.5)	8.3	12.6	5.0	12.9	5.2	5.3	5.3	5.6
Operating costs total	1086.3	1264.8	1202.3	1329.8	127.5	1426.0	1228.1	1372.1	1257.7	1427.9	1475.3	1522.3	1585.0
Annuity-funded costs													
Labour		178.0	25.4	99.9	74.5	68.8	40.8	173.8	48.1	37.3	110.1	104.2	124.3
Contractors		2655.4	101.4	398.4	297.0	303.8	180.1	191.1	52.9	40.9	120.5	113.8	135.4
Materials		0.1	0.2	0.6	0.4	254.6	150.9	191.1	52.9	40.9	120.5	113.8	135.4
Other		9.3	10.2	40.0	29.8	16.2	9.6	104.3	28.9	22.3	65.7	62.1	73.9
Local area support costs		92.4	15.0	59.1	44.1	46.2	27.4	121.6	33.7	26.1	77.1	73.0	87.0
Corporate support costs		128.5	23.0	90.5	67.4	65.3	38.7	165.1	45.7	35.4	104.6	99.0	118.1
Indirect costs		121.8	18.6	73.2	54.6	46.7	27.7	99.4	27.5	21.7	63.1	57.6	70.9
Annuity-funded total¹	3740.4	3185.6	193.8	761.7	567.8	801.6	475.1	1046.3	289.7	224.6	661.7	623.5	745.1
Total costs²	4826.7	4450.4	1396.2	2091.4	695.3	2227.6	1703.2	2418.4	1547.4	1652.5	2137.0	2145.8	2330.1

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 St George Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Jack Taylor Weir	Replace – low-level outlet works.	91	39	Following an options study, Sunwater decided to decommission the valves as the cost to replace (including obtaining a sufficient seal to safely replace the valves downstream) was considered excessive for an asset that is rarely used. The valves are planned to be decommissioned in 2022/23.
Beardmore Dam	Repair – the causeway downstream of Beardmore Dam, which was damaged by floodwaters.	370	321	This project was delivered within budget for 2020/21 but was carried over to 2021/22 and delivered in August 2021 within the 2021/22 approved budget of \$439k.
Jack Taylor Weir and Beardmore Dam	Inspect – X-ray examination of seven of the wire ropes to determine their condition.	86	53	Sunwater delivered this project under budget due to savings realised through a competitive tender process.
Beardmore Dam	Study – updated geotechnical and stability analysis and hydrological assessments to inform the comprehensive risk assessment (CRA).	557	286	The CRA input studies were carried over to 2021/22, while the seismic investigation was completed in 2019/20.
Beardmore Dam	Study – CRA.	117	0	This project was deferred to 2021/22 as it is dependent upon inputs from other studies which were carried over to 2021/22.
Multiple	Various projects.	170	47	The cost variance was primarily driven by the following factors: <ul style="list-style-type: none"> fewer meters requiring replacement than budgeted (\$28k less) removal of a project to relocate a satellite dish from the office to higher ground (\$21k less) carryover of an arc flash study to 2021/22 (\$28k less). In addition, the service contract's contingency budget of \$43k was not used.
Multiple	Various projects.	0	15	Minor carryover expenditure related to projects previously undertaken: <ul style="list-style-type: none"> installation of filter zone between Thuraggi inlet and outlet (\$5k) replacement of a rotork (\$0.02k) options and design of two new outlet valves and pipework extension at Jack Taylor Weir (\$6k) topographic and bathymetric survey at Jack Taylor Weir (\$4k).
2020/21 Total		1391	762	

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

Appendix 4—Annuity-funded projects for 2022/23 to 2026/27

The below table sets out Sunwater’s currently planned annuity-funded projects for the 2022/23 to 2026/27 period for this scheme. While the immediate program is well defined, estimates become more uncertain further into the planning timeline. Forecasts are likely to change in future S&PPs, reflecting changes in project delivery timing; asset condition and risk updates; outcomes from scheduled asset inspections; and customer feedback.

Year	Facility	Activity description	Forecast \$'000
2022/23	Scheme	Study – options analysis to install supervisory control and data acquisition and programmable logic controller to simplify operations during flood events.	60
	Jack Taylor Weir	Refurbish – cracks in upstream and downstream left wingwalls that are widening.	90
	Jack Taylor Weir	Study – conduct a light detection and ranging (LIDAR) survey to confirm the storage capacity.	72
	Scheme	Replace – customer meters to meet Murray-Darling Basin measurement policy. Requirement to be reviewed annually based on work completed in previous years and completion against legislative timeframes.	578
	Multiple	There are eight other annuity-funded projects planned for 2022/23 including replacements of the water supply switchboard, a failed section of the town water supply pipework, and a rotork actuator on the river outlet at Beardmore Dam; installation of a second (standby) sump pump in the gallery at Beardmore Dam; refurbishment of hoists at Beardmore Dam and Jack Taylor Weir; operational boat replacement; and replacement of signs in the scheme.	245
	2022/23 Total		
2023/24	Jack Taylor Weir	Refurbish – gate 12 hoist based on known asset condition and age.	18
	Beardmore Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	141
	Beardmore Dam	Refurbish – gate 2 hoist based on known asset condition and age.	18
	Beardmore Dam	Replace – spillway gate guide bolts based on known condition and age.	37
	Beardmore Dam	Refurbish – internal road resurfacing based on known asset condition and age.	11
	2023/24 Total		
2024/25	Beardmore Dam	Refurbish – repaint upstream and downstream faces of gates 1 and 2 based on known asset condition and age.	334
	Jack Taylor Weir	Refurbish – repaint upstream and downstream faces of gates 1 and 2 based on known asset condition and age.	171
	Beardmore Dam	Refurbish – river outlet bulkhead gate based on known condition.	22

Year	Facility	Activity description	Forecast \$'000
	Beardmore Dam	Replace – gallery exhaust fan based on known condition and age.	20
	Jack Taylor Weir	Refurbish – gate 2 winch based on known asset condition and age.	19
	Beardmore Dam	Refurbish – gate 3 hoist based on known asset condition and age.	24
	Jack Taylor Weir	Refurbish – remove mid-level platforms and improve security fencing to mitigate a known safety risk.	72
	2024/25 Total		662
2025/26	Beardmore Dam	Refurbish – repaint upstream and downstream faces of gates 3 and 4 based on known asset condition and age.	327
	Jack Taylor Weir	Refurbish – repaint upstream and downstream faces of gates 3 and 4 based on known asset condition and age.	175
	Jack Taylor Weir	Refurbish – gate 5 hoist based on known asset condition and age.	19
	Beardmore Dam	Refurbish – gate 4 hoist based on known asset condition and age.	24
	Beardmore Dam and Jack Taylor Weir	Study – non-destructive testing of spillway gate ropes to understand the asset’s condition.	78
	2025/26 Total		624
2026/27	Beardmore Dam	Refurbish – gates 5 and 6 hoist mechanism and upstream and downstream gate faces based on known condition.	384
	Jack Taylor Weir	Refurbish – gate 1 hoist and gates 5 and 6 upstream and downstream faces based on known condition.	200
	Jack Taylor Weir	Study – comprehensive inspection based on asset management standards and to better understand asset condition and risk.	56
	Beardmore Dam	Refurbish – cleanout foundation drains to minimise uplift.	51
	Beardmore Dam	Refurbish – ladders, handrails and platforms based on known condition and risk.	20
	Jack Taylor Weir	Refurbish – ladders, handrails and platforms based on known condition and risk.	34
	2026/27 Total		745

Contact us

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

Email: sppfeedback@sunwater.com.au

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

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.