



Final Service and Performance Plan

2021/22

Three Moon Creek Bulk Water Service Contract

27 July 2021

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At a glance

Our performance in 2019/20




Operating costs:
\$0.73 million (19.6% more than forecast)

The key driver for this cost variance is a change in approach to how non-direct costs were apportioned across schemes.




Annuity-funded costs:
\$0.90 million (8.5% less than forecast)

The 2019/20 annuity-funded program was managed within budget. Increases to the scope and cost of protection works at Mulgildie Weir were offset by reductions in other projects and the deferral of some projects to 2020/21.



Total water deliveries:
8825 ML

Water delivered to irrigators: 8580 ML



Service targets: Met

No exceptions


Outlook for 2021/22



Forecast operating costs:
\$0.82 million

Significant areas of expenditure:

- insurance (\$0.22 million)
- operations (\$0.46 million).



Forecast annuity-funded costs:
\$0.25 million

Key projects planned:

- comprehensive inspections of the scheme’s weirs to maintain asset condition knowledge and optimise asset management plans (\$0.08 million)
- options study into the placement of additional rock protection along the upstream embankment of Cania Dam (\$0.08 million)
- replacement of customer meters, as required, during the year (\$0.04 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 Three Moon Creek Bulk Water Service Contract is to:

- present to customers Sunwater’s projected costs¹ 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.

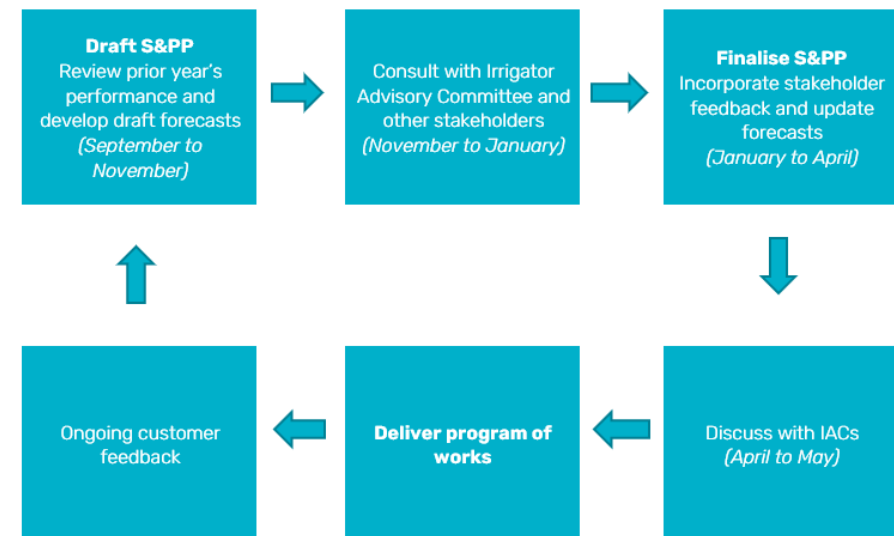
Our focus during 2021/22 will be efficiently delivering water to customers, in accordance with the scheme’s service targets and operating rules, and ensuring Cania Dam and scheme infrastructure is maintained to appropriate standards. The amended interim resource operations licence (IROL) will also be introduced in 2021/22, following consultation with customers and the Irrigator Advisory Committee during 2020/21. The amended IROL will improve water security, through better rules for water trading and greater access to water held in Cania Dam.

In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at: www.sunwater.com.au/customer/products-and-services/service-and-performance-plans/

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

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

Figure 1: Customer consultation and S&PPs



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

Email: sppfeedback@sunwater.com.au

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

Delivering services to our customers

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

Our customers

Most customers on Three Moon Creek use water for agricultural purposes including winter and summer cereal cropping, lucerne production, dairy and piggeries. The North Burnett Regional Shire Council also draws water to supply the rural townships of Monto and Mulgildie.

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

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	14,054	0	14,054	8580
Industrial	0	0	0	0
Urban	410	380	30	246
Sunwater	270	200	70	0
Total	14,734	580	14,154	8825

Irrigation charges

The 2021/22 charges and cost per megalitre are shown in Table 2.

Table 2: Irrigation charges for 2021/22

Tariff group	Product	2021/22 (\$/ML) ¹	QCA cost-reflective (\$/ML) ²
Three Moon Creek	Allocation Charge – Part A	23.56	52.14
	Allocation Water – Part B	4.16	6.18

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 has company-wide customer interactions service targets. Our performance in 2019/20 against these service targets is shown in Table 3.

Table 3: Customer interactions service targets and performance

Service target	Target	2019/20
Telephone answering ¹	80.00%	94.87%
Requests actioned within Service Level Agreement (SLA) timeframes ²	> 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 4 lists the key infrastructure used to deliver bulk water services to our customers in Three Moon Creek.

Table 4: Key infrastructure

Asset	Description	Total storage capacity (ML)
Cania Dam	Earth and rock fill dam with an impervious core, and an unlined spillway. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	88,500
Mulgildie Weir	Concrete.	333
Alvis Weir	Cascading sheet piling with selected infill and reinforced concrete slab covers.	250
Youlambie Weir	Sheet piling with grouted rock infill and an anabranch weir.	143
Bazley Weir	Sheet piling with reinforced concrete infill slabs.	75
Monto Weir	Sheet piling with rock mattresses to protect the weir's abutments and downstream banks.	27

Financial summary—Revenue and expenditure

A high-level summary of the budgeted financial performance of the Three Moon Creek 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 Three Moon Creek Bulk Water Service Contract in 2021/22.

In 2021/22, Sunwater expects to spend \$473 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 Three Moon Creek 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)

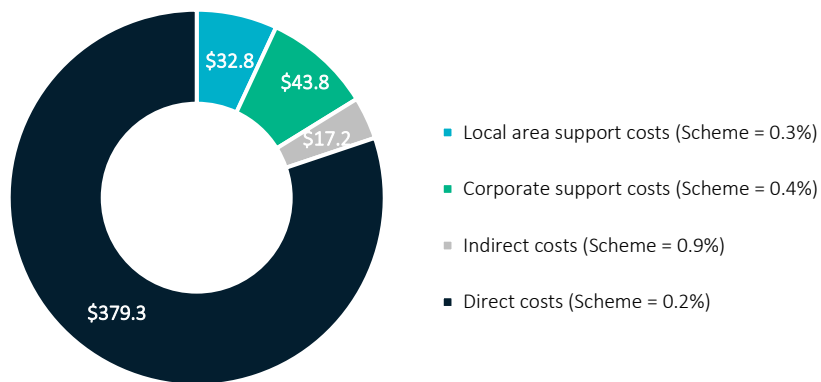


Table 5: Service contract financial summary

Three Moon Creek 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	351.1	372.8	384.7	366.2	468.4
Community Service Obligation	-	-	-	-	-
Industrial ¹	-	-	-	-	-
Urban ¹	58.5	59.8	60.2	89.5	93.0
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	3.5	6.8	6.7	1.0	1.0
Revenue total	413.1	439.4	451.6	456.8	562.4
Less – Operating expenditure	539.7	696.9	734.7	738.8	820.3
Less					
Annuity-funded	55.0	305.5	901.3	660.4	252.8
Non-annuity funded ²	3.0	6.0	7.0	36.7	-
Surplus (deficit)	(184.6)	(569.0)	(1191.4)	(979.2)	(510.8)

- Forecast revenues for industrial and urban customers are based on current contractual arrangements.
- This is expenditure which has not been funded by irrigation customers. An example of this in the Three Moon Creek Bulk Water Service Contract is recreational facility projects from 2020/21.

Cost of delivering services—Operating expenditure

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

Table 6 sets out actual and forecast operating expenditure for the Three Moon Creek 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 higher than our previous forecast.² The driver for this increase is a business decision to change the way non-direct costs are apportioned to schemes. Sunwater moved towards direct charging of costs that previously resided in the non-direct cost pools.

Table 6: Operating expenditure¹

Three Moon Creek 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 ²	Sunwater Forecast \$'000	QCA Target \$'000 ²	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operations	375.8	545.8	544.1	528.1	(16.0)	645.3	462.1	691.6	471.6	695.2	713.2	729.8	745.5
Electricity	9.5	8.8	19.9	5.7	(14.3)	19.9	21.0	10.0	21.3	10.2	10.4	10.6	10.8
Insurance	100.9	108.7	120.4	124.0	3.6	167.1	136.9	219.4	139.6	223.8	228.2	232.8	237.4
Operations	265.3	428.3	403.8	398.5	(5.3)	458.2	304.2	462.2	310.7	461.2	474.6	486.4	497.2
Preventative maintenance	138.4	140.4	45.1	165.2	120.0	58.3	134.2	92.3	137.2	92.2	95.1	97.7	99.9
Corrective maintenance	25.6	10.7	24.9	41.4	16.6	35.3	37.2	36.4	38.0	36.6	37.6	38.6	39.4
Operating costs total	539.7	696.9	614.1	734.7	120.6	738.8	633.5	820.3	646.8	824.0	846.0	866.0	884.8
Recreational facility costs ³						-		-		-	-	-	-
Operating costs total (incl. recreational facility costs)	539.7	696.9	614.1	734.7	120.6	738.8		820.3		824.0	846.0	866.0	884.8

1. Sunwater's 2022/23 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.

² See the 2019/20 Network Service Plan at www.sunwater.com.au/schemes/Three-Moon-Creek/

Outlook for 2021/22 Operations

Three Moon Creek Bulk Water Service Contract's total operations budget in 2021/22 is 46.6 per cent above the QCA's recommended cost target. This variance is largely driven by increased insurance (see below), labour and non-direct costs. Some of the increase in operational costs can be attributed to the rebalancing of resources between operations and preventative maintenance. Sunwater will continue to seek efficient ways to deliver operations activities, with a view to aligning with the QCA target.

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 Three Moon Creek Bulk Water Service Contract are 32.7 per cent lower than the QCA's recommended cost target. This is because of a rebalancing of resources assigned to perform preventative maintenance and operational activities.

Corrective maintenance

In 2021/22, Sunwater anticipates spending \$36.4k on corrective maintenance in the Three Moon Creek Bulk Water Service Contract. This is 4.2 per cent below the QCA's recommended cost target, primarily due to the reapportionment of costs between the operations, preventative maintenance and corrective maintenance budgets.

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 7 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 7: Annuity and non-annuity funded expenditure^{1,2}

Three Moon Creek 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 ³	Sunwater Actual \$'000 ³	Sunwater Forecast \$'000	Sunwater Actual \$'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	5.6	-	-	-	-	-	-	-	-	-	-	-	-
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned corrective maintenance	49.4	305.5	985.4	901.3	(84.1)	660.4	80.0	252.8	119.9	680.4	686.0	260.7	254.3
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	55.0	305.5	985.4	901.3	(84.1)	660.4	80.0	252.8	119.9	680.4	686.0	260.7	254.3
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects						36.7							
Metered offtakes and dividend reinvestment	3.0	6.0	-	7.0	7.0	-							
Non-annuity total	3.0	6.0	-	7.0	7.0	36.7							

1. Sunwater’s 2022/23 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.³

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 2021/22 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 asset data will provide a greater insight to asset performance, condition, and refurbishment and replacement planning.

³ See pages 58 to 60, www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf

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 has also recently undertaken an asset valuation exercise 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 will inform the replacement values underpinning forecast annuity-funded costs.

Options analyses

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 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 follows Sunwater’s project, program and portfolio management framework (P3MF) and is subject to an options analysis.

Options analyses under P3MF 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

Three Moon Creek 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 ¹	(1120.7)	(1143.2)	(1386.1)	(2268.8)	(2480.2)	(2267.5)	(2453.7)	(2649.1)	(2355.8)
Spend ²	(55.0)	(305.5)	(901.3)	(660.4)	(252.8)	(680.4)	(686.0)	(260.7)	(254.3)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	28.9	-	-	-	-	-	-	-
Annuity contribution ³	116.5	119.4	122.4	548.3	573.8	593.4	597.9	669.8	677.6
Interest/financing costs	(83.9)	(85.6)	(103.8)	(99.2)	(108.4)	(99.1)	(107.3)	(115.8)	(103.0)
Sunwater – Closing balance	(1143.2)	(1386.1)	(2268.8)	(2480.2)	(2267.5)	(2453.7)	(2649.1)	(2355.8)	(2035.6)
QCA – Closing balance	(1143.2)	(1386.1)	(2201.9)	(1829.8)	(1455.9)	(970.8)	(480.2)		
Difference	-	-	(67.0)	(650.3)	(811.7)	(1482.9)	(2168.9)		

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	1660
2011/12	3991
2012/13	4073
2013/14	6546
2014/15	5491
2015/16	6635
2016/17	6994
2017/18	4833
2018/19	7707
2019/20	8825
18-year historical average	5897

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

Three Moon Creek Bulk Water Service Contract	2017/18	2018/19	Sunwater Forecast \$'000	2019/20	Variance \$'000	2020/21	QCA Target \$'000	2021/22	QCA Target \$'000	2022/23	2023/24	2024/25	2025/26
	Sunwater Actual \$'000	Sunwater Actual \$'000		Sunwater Actual \$'000		Sunwater Forecast \$'000		Sunwater Forecast \$'000		Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000	Sunwater Forecast \$'000
Operating costs													
Operations	375.8	545.8	544.1	528.1	(16.0)	645.3	462.1	691.6	471.6	695.2	713.2	729.8	745.5
Labour	67.8	105.0	89.3	109.8	20.6	93.8	59.2	103.9	60.5	107.0	110.2	113.5	116.9
Contractors	3.4	4.5	6.0	4.0	(2.0)	6.0	4.8	9.5	4.9	6.1	6.2	6.4	6.5
Materials	0.1	4.0	-	3.8	3.8	-	1.2	-	1.2	-	-	-	-
Electricity	9.5	8.8	19.9	5.7	(14.3)	19.9	21.0	10.0	21.3	10.2	10.4	10.6	10.8
Insurance	100.9	108.7	120.4	124.0	3.6	167.1	136.9	219.4	139.6	223.8	228.2	232.8	237.4
Other	30.3	65.8	67.6	61.8	(5.9)	67.2	47.6	66.7	48.5	68.9	69.6	70.2	70.9
Local area support costs	52.9	68.0	35.2	58.4	23.3	52.6	25.0	63.4	25.6	65.3	67.2	69.3	71.3
Corporate support costs	33.2	94.0	66.6	84.3	17.6	70.3	45.7	98.7	46.7	101.6	104.7	107.8	111.1
Indirect costs	77.6	86.9	139.1	76.3	(62.8)	168.4	120.7	120.1	123.3	112.3	116.7	119.2	120.5
Preventative maintenance	138.4	140.4	45.1	165.2	120.0	58.3	134.2	92.3	137.2	92.2	95.1	97.7	99.9
Labour	43.0	44.3	11.9	52.8	41.0	15.6	42.1	25.3	43.1	26.0	26.8	27.6	28.5
Contractors	8.4	8.2	7.0	2.8	(4.2)	7.0	7.1	7.0	7.3	7.1	7.3	7.4	7.6
Materials	0.9	0.5	-	3.0	3.0	-	0.7	-	0.7	-	-	-	-
Other	2.5	2.0	3.0	4.4	1.4	3.0	3.8	3.0	3.9	3.1	3.1	3.2	3.2
Local area support costs	33.6	28.4	6.2	26.6	20.4	9.0	17.8	15.9	18.2	16.3	16.8	17.3	17.8
Corporate support costs	17.4	34.6	8.9	40.5	31.7	11.7	32.6	24.0	33.3	24.7	25.5	26.3	27.0
Indirect costs	32.6	22.3	8.2	35.0	26.7	12.0	30.0	17.2	30.7	14.9	15.6	15.8	15.7
Corrective maintenance	25.6	10.7	24.9	41.4	16.6	35.3	37.2	36.4	38.0	36.6	37.6	38.6	39.4
Labour	5.2	3.5	4.2	11.1	6.8	7.3	7.3	7.3	7.5	7.5	7.7	7.9	8.2
Contractors	2.2	-	8.0	1.4	(6.7)	8.0	8.3	8.0	8.4	8.2	8.3	8.5	8.7
Materials	6.0	0.5	5.0	3.6	(1.4)	5.0	7.3	5.0	7.4	5.1	5.2	5.3	5.4
Other	1.7	1.0	-	4.0	4.0	-	0.4	-	0.4	-	-	-	-
Local area support costs	4.0	0.0	1.5	5.8	4.2	4.0	3.1	4.4	3.2	4.5	4.6	4.8	4.9
Corporate support costs	2.5	3.4	3.2	8.7	5.5	5.4	5.7	6.9	5.8	7.1	7.3	7.5	7.8
Indirect costs	3.9	2.3	2.9	7.1	4.1	5.6	5.2	4.9	5.3	4.3	4.5	4.5	4.5
Operating costs total	539.7	696.9	614.1	734.7	120.6	738.8	633.5	820.3	646.8	824.0	846.0	866.0	884.8
Annuity-funded costs													
Labour			103.0	94.2	(8.8)	72.7	8.8	31.1	14.8	111.5	111.2	24.9	36.8
Contractors			534.3	578.8	44.5	337.5	40.9	65.0	30.8	132.4	134.2	85.1	58.3
Materials			132.9	32.5	(100.4)	77.5	9.4	74.1	35.1	135.7	141.0	97.6	64.0
Other			22.9	12.6	(10.4)	21.8	2.6	13.2	6.3	64.3	62.4	-	17.8
Local area support costs			43.8	48.0	4.1	40.3	4.9	18.8	8.9	66.9	66.8	15.3	22.1
Corporate support costs			76.9	72.7	(4.2)	54.5	6.6	29.6	14.0	105.9	105.7	23.6	35.0
Indirect costs			71.6	62.5	(9.1)	56.1	6.8	21.1	10.0	63.7	64.6	14.3	20.4
Annuity-funded total¹	55.0	305.5	985.4	901.3	(84.1)	660.4	80.0	252.8	119.9	680.4	686.0	260.7	254.3
Total costs²	594.7	1002.3	1599.5	1636.0	36.5	1399.3	713.5	1073.1	766.7	1504.4	1532.0	1126.7	1139.1

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 Three Moon Creek Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Mulgildie Weir – Downstream protection works (20TMC01)	169	388	The original scope for this project was for large scale corrective repairs to the downstream abutments. During scoping for this work, it was identified that a more significant problem existed on the upstream side of the weir which was more urgent than the downstream repairs. The extent of the work could only be detailed accurately once the upstream concrete section was removed. The scope of the repairs was quite extensive and required significant budget to complete. These repairs will reduce the extent (and cost) of the originally planned downstream abutment repairs.
Meter replacements (20TMC09)	41	41	Meter replacements were completed within budget.
Cania Dam – 20-year dam safety review (19TMC01)	115	179	Additional time and labour were required to complete the study than was allowed for in the original estimate. The dam safety review study required an inspection of the conduit which would ordinarily be undertaken as part of the five-yearly comprehensive inspection which added additional costs to the project.
Cania Dam – Comprehensive risk assessment (CRA) (20TMC04)	179	-	The CRA was deferred to schedule this study with similar studies in 2020/21.
Cania Dam – Comprehensive inspection (20TMC02)	125	71	The inspection and report were completed with much less effort and work than planned, due partly to the level of the storage at the time of inspection. The cost of the conduit inspection was borne by the 20-year dam safety review rather than this project, which reduced the overall cost.
Other works	356	223	The seismic investigation of Cania Dam was undertaken as part of a package of works for other sites around the state. This yielded significant savings for the project (20TMC05, \$33k less than forecast). The contractor costs to replace the piezometer gauges at Cania Dam were higher than estimated (20TMC07, \$14k more than forecast). The construction aspect of a project to build operators' accommodation did not commence in 2019/20 as there were delays in finalising a lease for the land/building. The works were carried over to 2020/21 (19TMC03, \$75k less than forecast). The scheme's contingency was used to partly fund the increase in scope for the Mulgildie Weir protection works.
2019/20 Total	985	901	

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	Facility	Activity description	Forecast \$'000
2020/21 ⁴	Cania Dam	Study – comprehensive risk assessment (CRA) to risk assess recommendations from a dam safety review. Includes \$33,000 for the geotechnical and consequence input studies.	215
	Mulgildie Weir	Repair – downstream right-hand concrete and rock protection to ensure the weir can withstand significant overtopping, and treat timber piles with an epoxy product.	159
	Cania Dam	Install – adequate accommodation for staff at the dam during flood events to minimise workplace health and safety risks.	100
	Cania Dam	Refurbish – inlet tower metal work on the lower level handrails and ladders based on known asset condition. This will only occur if water levels allow.	63
	Scheme	Replace – customer meters based on known asset condition and age.	42
	Multiple	There were five other annuity-funded projects planned for 2020/21 consisting of an asset revaluation; lifting frame refurbishment at Cania Dam; an arc flash study to minimise electrical safety hazards; replacement of the conduit fill valve at Cania Dam; and a small service contract contingency.	81
	2020/21 Total		660
2021/22	Minor weirs	Study – comprehensive inspection based on asset management standards and to better understand asset condition and risk.	78
	Scheme	Replace – customer meters based on known asset condition and age.	42
	Cania Dam	Study – options to replace upstream face rip rap.	84
	Cania Dam	Study – options and installation of safe access to inlet tower.	48
	2021/22 Total		252
2022/23	Scheme	Replace – customer meters based on known asset condition and age.	43
	Cania Dam	Replace – install new storage rack for the trash rack lifting frame based on known condition and age.	30
	Cania Dam	Replace – upstream face rip rap based on the outcomes of the options study (Stage 2).	607

⁴ Based on the program of works underpinning the 2020/21 annuity-funded budget figures presented in this S&PP. This data was extracted from Sunwater’s systems in mid-2020 and has been provided to facilitate future reporting of our performance against forecast costs. Changes to the 2020/21 program of works since the date of extraction are not incorporated here.

Year	Facility	Activity description	Forecast \$'000
	2022/23 Total		680
2023/24	Scheme	Replace – customer meters based on known asset condition and age.	44
	Cania Dam	Study – options for replacing electrical cabling.	16
	Cania Dam	Study – 10-year crest survey to understand the potential for a dam overtopping.	3
	Cania Dam	Replace – upstream face rip rap based on the outcomes of the options study (Stage 3).	623
	2023/24 Total		686
2024/25	Cania Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	137
	Cania Dam	Replace – cables and cableways based on outcomes of the options study. Covers design and procurement.	57
	Scheme	Replace – customer meters based on known asset condition and age.	45
	Cania Dam	Refurbish – lighting and power at the outlet building based on known asset condition and age.	22
	2024/25 Total		261
2025/26	Cania Dam	Refurbish – embankment crest based on outcomes of the crest survey.	33
	Cania Dam	Refurbish – outlet diversion tunnel based on known asset condition and age.	65
	Cania Dam	Replace – cables and cableways based on the outcomes of the options study. Covers installation and commissioning.	80
	Scheme	Replace – customer meters based on known asset condition and age.	46
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	30
	2025/26 Total		254

Contact us

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

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