



Draft Service and Performance Plan 2021/22

Upper Burnett Bulk Water Service Contract


2 March 2021

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 balance 11
- Appendix 1—Historical water usage 12
- Appendix 2—Operating and annuity-funded costs by expense type 13
- Appendix 3—Comparison of forecast and actual annuity-funded projects for 2019/20 14
- Appendix 4—Annuity-funded projects for 2020/21 to 2025/26 16


At a glance

Our performance in 2019/20



Operating costs:
\$1.11 million (1.1% less than forecast)


Preventative maintenance costs were higher than forecast due to an increase in compliance-based costs. This increase was offset by lower than budgeted operations and corrective maintenance costs.



Annuity-funded costs:
\$0.68 million (21.8% less than forecast)


Key drivers of cost variance:

- works to reinstate the downstream rock mattresses and rip rap, and conduct a bathymetric survey, were deferred as the tailwater levels were too high
- the geotechnical investigation of the saddle dam was deferred, following the identification of data gaps during the 20-year dam safety review
- the scheme’s contingency amount was not used.



Total water deliveries:
24,239 ML


Water delivered to irrigators: 23,198 ML



Service targets: Met

No exceptions


Outlook for 2021/22



Forecast operating costs:
\$1.22 million

Significant areas of expenditure:

- insurance (\$0.16 million)
- operations (\$0.82 million)
- preventative maintenance (\$0.15 million).



Forecast annuity-funded costs:
\$0.77 million

Key projects planned:

- a comprehensive risk assessment of Wuruma Dam to assess safety risks and identify works for prioritisation (\$0.20 million)
- replacement of regulating and guard valve 2 at Wuruma Dam due to poor condition (\$0.20 million)
- a comprehensive inspection of Wuruma Dam, in accordance with the Queensland Dam Safety Management Guidelines (\$0.11 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 Upper Burnett 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 delivering water to customers within agreed service standards, ensuring assets are maintained and ensuring works are completed in a safe, timely and efficient manner.

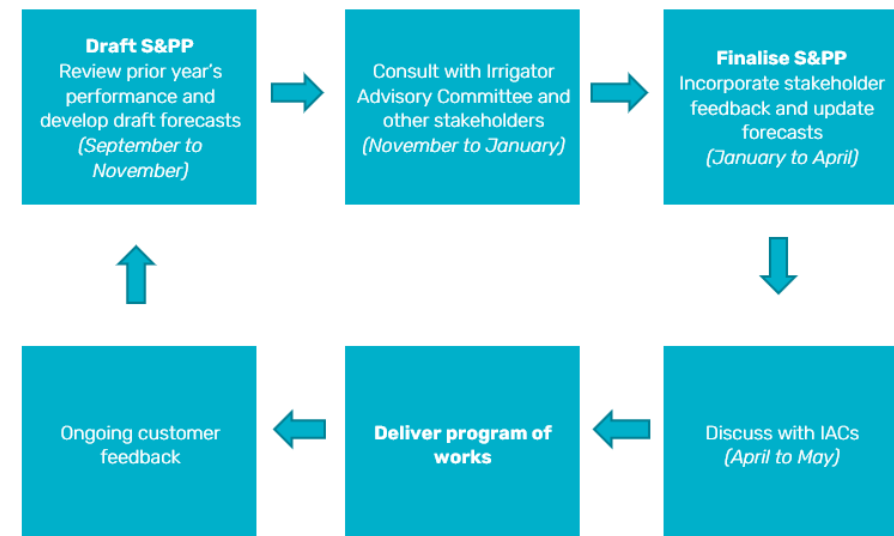
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 148 customers in this scheme are irrigators of citrus, small crops, pastures and fodder crops. Water is also supplied to the towns of Eidsvold, Mundubbera and Gayndah.

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 data¹

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2019/20 (ML)
Irrigation	27,041	0	27,041	23,198
Industrial	119	0	119	61
Urban	1530	1370	160	979
Sunwater	10	10	0	0
Total	28,700	1380	27,320	24,239

1. Excludes Burnett Water Pty Ltd (BWPL) (Kirar Weir).

Irrigation charges

The 2021/22 charges and cost per megalitre from the Queensland Competition Authority's (QCA) 2020–2024 irrigation price investigation are shown in Table 2. The Upper Burnett Bulk Water Service Contract is not expected to fully recover irrigation's share of costs.

Table 2: Irrigation charges for 2021/22¹

Tariff group	Product	2021/22 (\$/ML) ²	QCA cost-reflective (\$/ML) ³	Subsidy (\$/ML)
Regulated section of Nogo/Burnett River	Allocation Charge – Part A	36.83	44.27	7.44
	Allocation Water – Part B	4.26	4.69	0.42
John Goleby Weir	Allocation Charge – Part A	35.14	44.27	9.13
	Allocation Water – Part B	4.26	4.69	0.42

1. Excludes BWPL charges (Kirar Weir).
2. As recommended by the QCA. The Queensland Government has not yet determined the irrigation charges to apply in 2021/22.
3. Reflects the cost-reflective price determined by the QCA in its 2020–2024 irrigation price investigation. Costs reflect lower bound cost recovery, i.e. recovery of future replacement and ongoing maintenance and operations. Charges do not allow for any returns on existing assets.

For more information on Sunwater's fees and charges, refer to:

www.sunwater.com.au/customer/fees-and-charges/

Service targets

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

Table 3: Scheme service targets and performance

Service target		Target	Number of exceptions		
			2017/18	2018/19	2019/20
Planned shutdowns – notification	For shutdowns planned to exceed 2 weeks	8 weeks	0	0	0
	For shutdowns planned to exceed 3 days	2 weeks	0	0	0
	For shutdowns planned to be less than 3 days	5 days	0	0	0
Unplanned shutdowns – duration	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 2019/20 against these service targets is shown in Table 4.

Table 4: Customer interactions service targets and performance

Service target	Target	2019/20
Telephone answering 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 5 lists the key infrastructure used to deliver bulk water services to our customers in the Upper Burnett Bulk Water Service Contract. It excludes infrastructure owned and operated by BWPL, such as Kirar Weir.

Table 5: Key infrastructure

Asset	Description	Total storage capacity (ML)
Wuruma Dam	Mass concrete gravity wall with central spillway. Includes a saddle dam. Classified as a referable dam under the <i>Water Supply (Safety and Reliability) Act 2008</i> .	165,400
Claude Wharton Weir	Mass concrete structure fitted with a fishlock.	12,800
Jones Weir	Mass concrete with an ogee crest.	3720
John Goleby Weir	Steel sheet piling cascade.	1690

Financial summary—Revenue and expenditure

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

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

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

In 2021/22, Sunwater expects to spend \$489 million across all parts of our business, i.e. regulated and non-regulated. A breakdown of the forecast total cost pool at the direct and non-direct cost level is shown in Figure 2, together with the percentage of these costs allocated to the Upper Burnett Bulk Water Service Contract. Detail on the planned spend for this scheme is outlined on subsequent pages of this S&PP.

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

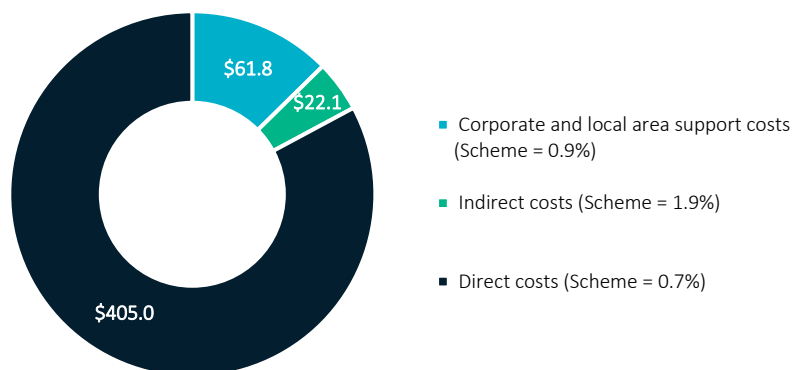


Table 6: Service contract financial summary

Upper Burnett 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	835.9	858.8	919.7	886.7	1056.6
Community Service Obligation	-	-	-	-	-
Industrial ¹	25.1	25.6	26.0	25.9	26.6
Urban ¹	635.9	602.8	591.9	655.8	672.2
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	8.5	13.7	5.9	1.0	1.0
Revenue total	1505.5	1500.9	1543.5	1569.4	1756.4
Less – Operating expenditure	976.3	1004.3	1110.8	1209.3	1245.9
Less					
Annuity-funded	776.6	431.5	683.0	774.3	773.0
Non-annuity funded ²	7.6	2.8	7.5	-	1784.7
Surplus (deficit)	(255.1)	62.2	(257.8)	(414.2)	(2047.2)

- 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 Upper Burnett Bulk Water Service Contract is the Dam Improvement Program and recreational facility projects from 2020/21.

Cost of delivering services—Operating expenditure

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

Table 7 sets out actual and forecast operating expenditure for the Upper Burnett 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 in line with our previous forecast.² Higher preventative maintenance costs can be attributed to an increase in compliance-based costs, particularly in relation to crannage and fishway operations. However, this increase was offset by a reduction in operations and corrective maintenance spend.

Table 7: Operating expenditure¹

Upper Burnett 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	725.7	786.6	846.2	823.7	(22.5)	956.4	813.9	985.0	831.2	1046.4	1046.9	1099.6	1098.5
Electricity	6.4	5.9	5.4	7.9	2.5	5.2	5.7	5.4	5.8	5.5	5.8	6.6	6.8
Insurance	99.8	106.4	114.8	117.8	3.0	159.3	134.0	163.3	136.7	167.4	171.6	175.9	180.3
Operations	619.5	674.3	726.0	698.0	(28.0)	791.9	674.1	816.3	688.7	873.5	869.5	917.1	911.5
Preventative maintenance	202.2	176.7	174.3	246.3	72.1	146.0	138.5	150.7	141.6	163.8	161.6	171.8	172.1
Corrective maintenance	48.4	41.1	102.3	40.8	(61.5)	80.9	43.4	83.4	44.3	89.5	89.0	93.9	94.5
Operating costs total	976.3	1004.3	1122.8	1110.8	(12.0)	1183.3	995.7	1219.1	1017.0	1299.7	1297.6	1365.3	1365.2
Recreational facility costs ³						26.1		26.9		28.8	28.6	30.2	30.1
Operating costs total (incl. recreational facility costs)	976.3	1004.3	1122.8	1110.8	(12.0)	1209.3		1245.9		1328.5	1326.2	1395.5	1395.3

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

² See the 2019/20 Network Service Plan at www.sunwater.com.au/schemes/Upper-Burnett/

Outlook for 2021/22 Operations

Upper Burnett Bulk Water Service Contract's total operations budget in 2021/22 is 18.5 per cent above the QCA's recommended cost target. This variance is driven by higher insurance (see below), labour 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.

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 Upper Burnett Bulk Water Service Contract are 6.4 per cent above the QCA's recommended cost target. This is because of an increased frequency for statutory inspections of cranes.

Corrective maintenance

In 2021/22, Sunwater anticipates spending \$83.4k on corrective maintenance in the Upper Burnett Bulk Water Service Contract. While this is 88.4 per cent above the QCA's recommended cost target, it is aligned to historical forecasts. Corrective works on the Claude Wharton fishway contribute to a large portion of this spend.

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

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

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

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

Upper Burnett 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	
Annuity-funded													
Operations	5.6	-	-	-	-	-	-	-	-	-	-		
Preventative maintenance	-	-	-	-	-	-	-	-	-	-	-		
Planned corrective maintenance	771.0	431.5	873.7	683.0	(190.7)	774.3	771.2	773.0	594.3	275.1	203.8	388.3	461.0
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	776.6	431.5	873.7	683.0	(190.7)	774.3	771.2	773.0	594.3	275.1	203.8	388.3	461.0
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	970.8	-	3044.7	7187.7	10,305.6	2041.1
Recreational facility projects	-	-	-	-	-	-	-	813.9	-	162.3	6.3	-	95.8
Metered offtakes and dividend reinvestment	7.6	2.8	-	7.5	7.5	-	-	-	-	-	-	-	-
Non-annuity total	7.6	2.8	-	7.5	7.5	-	-	1784.7	-	3207.0	7194.0	10,305.6	2136.9

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

Asset management and planning improvements

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

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

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

Asset management performance growth

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

Asset management planning

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

Asset management improvement

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

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

Annuity balance

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

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

Table 9: Annuity balance

Upper Burnett 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	(1799.4)	(2519.3)	(2796.9)	(3488.1)	(3650.0)	(3805.1)	(3451.2)	(3003.6)	(2821.8)
Spend ²	(776.6)	(431.5)	(683.0)	(774.3)	(773.0)	(275.1)	(203.8)	(388.3)	(461.0)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	-	146.2	-	-	-	-	-	-	-
Annuity contribution ³	191.6	196.3	201.3	764.9	777.5	795.4	802.3	701.4	711.8
Interest/financing costs	(134.8)	(188.7)	(209.5)	(152.5)	(159.6)	(166.4)	(150.9)	(131.3)	(123.4)
Sunwater – Closing balance	(2519.3)	(2796.9)	(3488.1)	(3650.0)	(3805.1)	(3451.2)	(3003.6)	(2821.8)	(2694.4)
QCA – Closing balance	(2519.3)	(2796.9)	(3486.5)	(3645.3)	(3621.4)	(3140.8)	(2750.5)		
Difference	-	-	(1.7)	(4.8)	(183.6)	(310.4)	(253.1)		

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. It excludes water deliveries to BWPL.

Year	Usage (ML)
2010/11	3255
2011/12	11,300
2012/13	10,662
2013/14	17,637
2014/15	13,863
2015/16	15,592
2016/17	17,462
2017/18	14,842
2018/19	18,804
2019/20	24,239
18-year historical average	15,783

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

Upper Burnett 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
Operating costs													
Operations	725.7	786.6	846.2	823.7	(22.5)	956.4	813.9	985.0	831.2	1046.4	1046.9	1099.6	1098.5
Labour	176.4	173.8	177.7	189.5	11.8	179.9	162.6	185.3	166.3	190.8	195.6	200.5	205.5
Contractors	15.8	17.7	25.0	17.8	(7.2)	24.4	19.6	25.0	20.0	25.6	26.3	26.9	27.6
Materials	4.6	9.9	10.0	13.2	3.2	9.8	14.0	10.0	14.3	10.2	10.5	10.8	11.0
Electricity	6.4	5.9	5.4	7.9	2.5	5.2	5.7	5.4	5.8	5.5	5.8	6.6	6.8
Insurance	99.8	106.4	114.8	117.8	3.0	159.3	134.0	163.3	136.7	167.4	171.6	175.9	180.3
Other	48.5	97.5	118.7	112.4	(6.3)	115.0	92.6	117.2	94.4	118.4	120.9	124.8	126.2
Local area support costs	137.4	94.9	64.7	90.6	25.8	99.7	68.8	102.7	70.3	105.8	108.4	111.1	113.9
Corporate support costs	77.1	157.0	132.7	143.8	11.1	134.9	125.7	139.0	128.4	143.1	146.7	150.4	154.1
Indirect costs	159.6	123.5	197.1	130.6	(66.5)	228.2	190.9	237.2	195.0	279.6	261.1	292.6	273.1
Preventative maintenance	202.2	176.7	174.3	246.3	72.1	146.0	138.5	150.7	141.6	163.8	161.6	171.8	172.1
Labour	63.0	57.8	57.3	77.9	20.5	44.2	43.9	45.5	44.9	46.8	48.0	49.2	50.4
Contractors	1.7	1.0	4.0	4.4	0.4	2.9	4.1	3.0	4.2	3.1	3.2	3.2	3.3
Materials	1.3	0.8	2.0	4.0	2.0	2.0	0.9	2.0	0.9	2.0	2.1	2.2	2.2
Other	13.8	3.4	5.0	9.0	4.0	4.9	5.7	5.0	5.8	5.1	5.3	5.4	5.5
Local area support costs	49.2	43.7	23.3	39.4	16.1	24.9	18.6	25.6	19.0	26.4	27.0	27.7	28.4
Corporate support costs	25.4	42.7	42.8	59.2	16.4	33.1	34.0	34.1	34.7	35.1	36.0	36.9	37.8
Indirect costs	47.8	27.2	39.8	52.5	12.7	34.1	31.3	35.5	32.0	45.2	40.1	47.2	44.4
Corrective maintenance	48.4	41.1	102.3	40.8	(61.5)	80.9	43.4	83.4	44.3	89.5	89.0	93.9	94.5
Labour	11.0	8.7	28.0	10.4	(17.6)	18.7	8.3	19.3	8.5	19.9	20.4	20.9	21.4
Contractors	6.0	8.6	15.0	0.3	(14.7)	14.6	8.8	15.0	9.0	15.4	15.8	16.1	16.5
Materials	1.8	2.4	5.0	1.9	(3.1)	4.9	5.8	5.0	6.0	5.1	5.3	5.4	5.5
Other	7.6	0.5	4.0	8.1	4.1	3.9	4.5	4.0	4.6	4.1	4.2	4.3	4.4
Local area support costs	8.6	9.3	9.9	5.2	(4.7)	10.3	3.5	10.6	3.6	10.9	11.2	11.5	11.8
Corporate support costs	5.1	6.4	20.9	8.0	(12.9)	14.0	6.4	14.5	6.6	14.9	15.3	15.7	16.0
Indirect costs	8.3	5.2	19.5	6.7	(12.7)	14.5	5.9	15.1	6.1	19.2	17.0	20.0	18.8
Operating costs total	976.3	1004.3	1122.8	1110.8	(12.0)	1183.3	995.7	1219.1	1017.0	1299.7	1297.6	1365.3	1365.2
Annuity-funded costs													
Labour			92.3	91.2	(1.2)	84.8	84.4	51.2	39.4	22.0	27.1	40.9	67.4
Contractors			296.6	384.0	87.4	205.8	205.0	164.8	126.7	87.4	61.0	131.3	100.5
Materials			313.1	25.6	(287.6)	239.9	239.0	449.9	345.9	105.6	55.2	123.7	109.9
Other			1.2	14.9	13.7	69.9	69.6	-	-	10.3	3.1	-	36.3
Local area support costs			37.3	36.5	(0.8)	44.9	44.7	28.7	22.0	12.1	14.5	22.5	37.1
Corporate support costs			69.0	68.1	(0.8)	63.6	63.3	38.4	29.6	16.5	20.3	30.7	50.5
Indirect costs			64.2	62.8	(1.4)	65.4	65.2	40.0	30.8	21.2	22.6	39.3	59.3
Annuity-funded total¹	776.6	431.5	873.7	683.0	(190.7)	774.3	771.2	773.0	594.3	275.1	203.8	388.3	461.0
Total costs²	1752.9	1435.8	1996.5	1793.8	(202.7)	1957.5	1767.0	1992.0	1611.3	1574.8	1501.3	1753.6	1826.2

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 Upper Burnett Bulk Water Service Contract in 2019/20 and the actual projects undertaken.

Project	Forecast \$'000	Actual \$'000	Commentary
Wuruma Dam – 20-year dam safety review (20UBP07)	335	392	Additional costs were incurred on this project due to additional consultant resources being allocated to the work to investigate a large gap in geotechnical data. The geotechnical data inhibited the progression of the study as it forms a core aspect of the review. Options to address the missing data have been proposed and will be put forward for review and consideration in the future program.
John Goleby Weir – Replace inlet trash screen	46	-	These works were undertaken as part of project 20UBP01 (see below). The screen was manufactured, with installation works carried over into 2020/21.
John Goleby Weir – Flush pressure relief holes and recap (18UBP01)	62	44	An alternative cap type was utilised which made replacement quicker and resulted in less labour and costs to complete the works.
Meter replacements (20UBP03 and 20UBP04)	61	51	Project 20UBP03 was completed broadly in line with the forecast. The estimate for project 20UBP04 included a certain allowance for earthworks associated with the meter outlet replacements. The meters that were upgraded in this project required less earthworks than the estimate.
John Goleby Weir – Replace trash screens and flap valve (20UBP01)	46	41	This work was combined with the outlet works screen replacement (see above) as one project. An alternative isolation method was developed to eliminate drawing the storage down and interrupting customer supply. This required the design and manufacture of a bulkhead which has been completed. The installation (combined with the screens) has been planned for 2020/21 and will be completed as a package of works to minimise separate installation costs using divers.
Other works	324	156	The key cost variances related to the following projects: <ul style="list-style-type: none"> repairing the misalignment of the bulkhead 2 left guide rail (20UBP05), which cost \$12k less than forecast due to the work being coordinated with another project to minimise mobilisation costs. The divers were able to implement a simpler solution as well. work to reinstate the downstream rock mattresses at John Goleby Weir and conduct a bathymetric survey, which was deferred (20UBP02; \$57k). This work relied on suitable tailwater levels to undertake the works and was intended to align with the storage reduction for work on the screens and flap gate project which did not occur. the geotechnical investigation of the Wuruma Dam saddle dam (20UBP09; \$71k), which was not completed due to the 20-year dam safety review

Project	Forecast \$'000	Actual \$'000	Commentary
			<p>project issues described above. It has been deferred but is likely to be absorbed in the proposed works for the 20-year dam safety review.</p> <p>In addition, the scheme's contingency budget was not used (\$48k).</p>
2019/20 Total	874	683	

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

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

Year	Project title	Project scope	Forecast \$'000
2020/21	Wuruma Dam – Replace regulating and guard valve 1	The 2016 comprehensive inspection recommended that the guard valve and regulator valve be replaced due to their poor condition. The bulkhead will need to be installed, mobile cranes deployed and an access track to the valve house created.	190
	Wuruma Dam – Comprehensive risk assessment (CRA) input studies	The CRA relies on current and accurate data upon which to conduct the risk assessments. In this case, updated hydrological studies will be conducted to inform the full level of societal risk.	83
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	62
	John Goleby Weir – Replace outlet screen	The trash screen on the weir is corroded and needs to be replaced to prevent debris from entering the conduit. Minor changes to the inlet structure are also planned to improve the ability to isolate the conduit for future valve maintenance.	60
	Claude Wharton Weir – Hydraulic modifications	The gate cylinders at the weir are regularly 'slipping' so that they do not hold the gate open in the required position. The system will undergo minor modifications to overcome this.	49
	Wuruma Dam – Valve house refurbishment	Cracks in the valve house roof have appeared over time. While not structurally significant now, there is evidence that rain has penetrated the full crack depth suggesting the concrete roof reinforcement could corrode and lead to partial or full failure. A similar issue has been successfully resolved at Coolmunda Dam.	44
	Asset revaluation	Revalue the assets for insurance purposes; update asset replacement costs and Bill of Materials; and identify gaps in asset hierarchy data.	43
	Other works	There are 10 other annuity-funded projects planned for 2020/21 consisting of: painting the steel angle at the base of the spillway at Wuruma Dam; replacement of imperial gauge boards with metric boards at Wuruma Dam; refurbishment of Pipe 1 lining at Wuruma Dam; modifying the trash rack lifting frame for improved engagement at Wuruma Dam; patching some cracks and abraded areas of the downstream wall at Claude Wharton Weir; a deformation survey of John Goleby Weir; replacement of a badly corroded platform at Wuruma Dam; replacement the core shed at Wuruma Dam; an arc flash study to improve electrical safety and a small contingency amount.	243
	2020/21 Total		774
2021/22	Wuruma Dam – Replace regulating and guard valve 2	The 2016 comprehensive inspection recommended that the guard valve and regulator valve be replaced due to their poor condition. The bulkhead will need to be installed, mobile cranes deployed and an access track to the valve house created.	197

Year	Project title	Project scope	Forecast \$'000
	Wuruma Dam – CRA	A CRA is conducted with new data collected from previous studies (safety review, input studies) to assess the level of dam and community safety risks identified and further refine their priority for refurbishment. A CRA is considered best practice among dam safety owners.	195
	Wuruma Dam – Comprehensive inspection	The Queensland Dam Safety Management Guidelines require Sunwater to undertake a comprehensive dam safety inspection every five years. The inspection identifies any defects and allows Sunwater to assess their risks and prioritise their scheduled work in accordance with the asset planning methodology.	111
	Wuruma Dam – Pressure relief drain cleaning	This is an allowance to clean the pressure relief drains in the spillway gallery to minimise uplift pressures on the dam wall. This is done every five years. Only the blocked drains will be cleaned.	100
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	64
	Other works	There are four other annuity-funded projects planned for 2021/22 consisting of: a deformation survey of Claude Wharton Weir; comprehensive inspections of Jones and John Goleby Weirs; and refurbishment of outlet pipe 2 at Wuruma Dam.	106
	2021/22 Total		773
2022/23	John Goleby Weir – Repaint internal conduit surface	The 2005 inspection recommended that the internal conduit surface be relined. Regular inspections have indicated the refurbishment can be deferred until now.	94
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	67
	Claude Wharton Weir – Comprehensive inspection	Sunwater conducts comprehensive inspections on our dams and weirs every five years to maintain current asset condition knowledge and improve the planned corrective maintenance program.	50
	Claude Wharton Weir – Bulkhead gate refurbishment	The sluice gate bulkhead will be removed during the comprehensive inspection. While it is out of its slot, it is prudent to patch paint it to continue its life.	40
	Wuruma Dam – Replace low-level trash screen	The low-level outlet trash screen is at the end of its life. It will be replaced if the condition warrants it. The comprehensive inspection in 2021/22 will confirm the need to do this work.	24
	Other works	There are no other annuity-funded projects planned for 2022/23.	-
	2022/23 Total		275
2023/24	Wuruma Dam – Low-level guard valve refurbishment	The low-level guard valve is currently not operational. Last time it was opened for regular maintenance, the valve would not close. It is thought that the torque settings on the actuator are incorrect. To overcome this, the storage level must be low enough to manually open and close the valve so the new settings can be confirmed. The budget allows for a new actuator, if needed, and amendments to the dam operations and maintenance manual.	79
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	68
	Claude Wharton Weir – Replace screw thread spindles	The screw thread spindles that allow the gate to raise and lower are showing signs of crevice corrosion and need to be replaced.	35

Year	Project title	Project scope	Forecast \$'000
	Wuruma Dam – Cable replacement options study	Electric cabling at Wuruma Dam is coming towards the end of its life. It is prudent to assess the condition of the cables prior to failure and prepare options for replacing them with modern equivalents.	22
	Other works	There are no other annuity-funded projects planned for 2023/24.	-
	2023/24 Total		204
2024/25	Wuruma Dam – Road refurbishment	This is an allowance to refurbish the road network at the dam, including filling potholes and improving drainage etc.	86
	John Goleby Weir – Pressure relief hole refurbishment	The pressure relief holes in the weir downstream faces will be flushed to prevent pressure build up and reduce the rate of corrosion on the sheet piles.	73
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	70
	Claude Wharton Weir fishway – Refurbish three bulkhead gates	The three fishway bulkhead gates are starting to corrode after 15 or so years in service. They will be removed, and patch painted with new seals before being returned to service.	60
	Wuruma Dam – Cable replacement work	Electric cabling at Wuruma Dam is coming towards the end of its life. This will be the design phase if the 2023/24 options study recommends any work.	47
	Claude Wharton Weir – Outlet gate 1 refurbishment	Outlet gate 1 is starting to corrode and needs new seals. It will be repainted to extend its life.	37
	Other works	There are three other annuity-funded projects planned for 2024/25, related to 7-yearly crane/hoist inspections in accordance with the relevant Australian Standard.	15
	2024/25 Total		388
2025/26	John Goleby and Jones Weirs – Access road refurbishments	An allowance has been made to upgrade the access roads into John Goleby and Jones Weirs to ensure safe ongoing access for staff. It will include signage, gates and fencing etc. if needed.	122
	Wuruma Dam – Cable replacement work	Electric cabling at Wuruma Dam is coming towards the end of its life. This will be the installation and commissioning phase if the 2023/24 options study recommends any work.	82
	Meter replacements	This is an allowance to replace failed customer meters in the Upper Burnett scheme. If meters are not replaced, the funds will remain in the annuity.	72
	Claude Wharton Weir – Security fencing upgrades	This is an allowance to upgrade any defective security fencing at the weir.	54
	Asset revaluation	Revalue the assets for insurance purposes; update asset replacement costs and Bill of Materials; and identify gaps in asset hierarchy data.	50
	Other works	There are four other annuity-funded projects planned for 2025/26 consisting of: a deformation survey of John Goleby Weir; and outlet gate refurbishments and actuator replacements at Claude Wharton Weir.	81
	2025/26 Total		461

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.