



Final Service and Performance Plan

2022/23

Upper Burnett Bulk Water Service Contract


28 July 2022

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At a glance


Our performance in 2020/21



Operating costs:
\$1.35 million (35.1% more than QCA target)


Key drivers of the cost variance:

- corrective maintenance at the Claude Wharton fishway
- escalations in electricity and insurance costs
- increased non-direct costs.




Annuity-funded costs:
\$0.74 million (4.1% less than QCA target)

Sunwater delivered the annuity-funded program of works within the QCA’s target.



Total water deliveries:
22,065 ML


Water delivered to irrigators: 21,084 ML



Service targets: Met

No exceptions


Outlook for 2022/23



Forecast operating costs:
\$1.50 million

Significant areas of expenditure:

- insurance (\$0.18 million)
- operations (\$0.89 million)
- preventative maintenance (\$0.26 million).



Forecast annuity-funded costs:
\$0.79 million

Key projects planned:

- refurbish guard valves 1 and 2 at Wuruma Dam (\$0.19 million)
- replace customer meters, as required (\$0.14 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 Upper Burnett 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 delivering water to customers within agreed service standards, ensuring assets are maintained in a fit for purpose capacity while ensuring works are completed in a safe, timely and efficient manner.

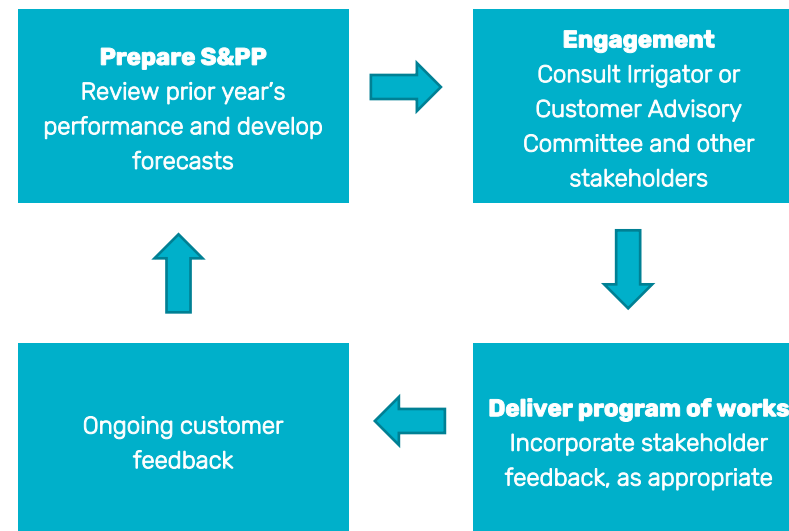
In addition to this S&PP, Sunwater has published an information sheet which explains the types of costs we incur in delivering water to our customers and how those costs are allocated to service contracts. The information sheet is available at:

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 2020/21. Historical total water usage is available in **Appendix 1**.

Table 1: Water allocations and usage data¹

Customer segment	Total water allocations (ML)	High priority water allocations (ML)	Medium priority water allocations (ML)	Total water deliveries 2020/21 (ML)
Irrigation	27,041	0	27,041	21,084
Urban	1530	1370	160	903
Industrial	119	0	119	77
Sunwater	10	10	0	0
Total	28,700	1380	27,320	22,065

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

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
Regulated section of Nogo/Burnett River	Allocation Charge – Part A	31.31	45.26
	Allocation Water – Part B	3.62	4.79
John Goleby Weir	Allocation Charge – Part A	29.87	45.26
	Allocation Water – Part B	3.62	4.79

1. Excludes BWPL charges (Kirar Weir).
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 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		
			2018/19	2019/20	2020/21
Planned shutdowns – notification	For shutdowns planned to exceed 2 weeks	8 weeks	0	0	0
	For shutdowns planned to exceed 3 days	2 weeks	0	0	0
	For shutdowns planned to be less than 3 days	5 days	0	0	0
Unplanned shutdowns – duration	Unplanned shutdowns will be fixed so that at least partial supply can be resumed	48 hours	0	0	0
Maximum number of interruptions	Planned or unplanned interruptions per water year	6	0	0	0

In addition, Sunwater has company-wide customer interactions service targets. Our performance in 2020/21 against these service targets is shown in Table 4.

Table 4: Customer interactions service targets and performance

Service target	Target	2020/21
Telephone answering ¹	80.00%	90.93%
Requests actioned within Service Level Agreement (SLA) timeframes ²	> 95.00%	99.14%

1. This target measures the percentage of 13 15 89 calls that are answered within 60 seconds.
2. This target measures the percentage of email or workflow requests (such as property transfers and temporary transfers) to the Customer Support team that are completed within the agreed SLAs. The SLA timeframes range between two and 10 business days, depending on the request.

Key infrastructure

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 fish lock.	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.

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 Upper Burnett 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)

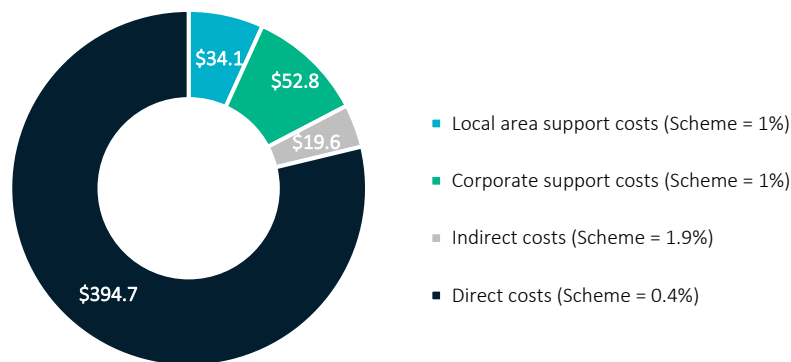


Table 6: Service contract financial summary

Upper Burnett 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	858.8	919.7	912.2	1056.6	908.5
Community Service Obligation	-	-	371.0	-	-
Industrial ¹	25.6	26.0	26.5	26.8	26.8
Urban ¹	602.8	591.9	610.6	678.0	614.7
Revenue transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	13.7	5.9	5.4	1.0	1.0
Revenue total	1500.9	1543.5	1925.7	1762.4	1551.0
Less – Operating expenditure	1004.3	1110.8	1357.8	1377.1	1532.0
Less					
Annuity-funded	431.5	683.0	739.5	1365.9	789.8
Non-annuity funded ²	2.8	7.5	-	36.2	407.2
Surplus (deficit)	62.2	(257.8)	(171.6)	(1016.8)	(1178.0)

- 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 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 2020/21

In 2020/21, operating costs were higher than the QCA’s recommended cost target. Contributing factors included spend above forecast on corrective maintenance at the Claude Wharton fishway, escalations in electricity and insurance costs, and increased non-direct costs.

Table 7: Operating expenditure¹

Upper Burnett 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	786.6	823.7	813.9	981.2	167.3	1052.3	831.2	1072.6	851.2	1116.3	1155.9	1193.6	1245.4
Electricity	5.9	7.9	5.7	9.0	3.2	14.0	5.8	9.0	5.9	9.2	9.5	9.8	10.0
Insurance	106.4	117.8	134.0	157.1	23.0	209.1	136.7	176.7	139.8	190.6	205.7	221.9	239.4
Operations	674.3	698.0	674.1	815.1	141.0	829.2	688.7	886.9	705.4	916.4	940.7	961.9	996.0
Preventative maintenance	176.7	246.3	138.5	216.3	77.8	212.2	141.6	259.4	145.1	267.9	275.2	281.7	291.7
Corrective maintenance	41.1	40.8	43.4	147.5	104.2	83.9	44.3	166.5	45.3	171.8	176.5	180.8	187.0
Operating costs total	1004.3	1110.8	995.7	1345.0	349.3	1348.3	1017.0	1498.5	1041.5	1556.0	1607.6	1656.0	1724.1
Recreational facility costs ³				12.7		28.8		33.6		34.7	35.6	36.4	37.7
Operating costs total (incl. recreational facility costs)	1004.3	1110.8		1357.8		1377.1		1532.0		1590.7	1643.3	1692.4	1761.8

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

Outlook for 2022/23 Operations

Upper Burnett Bulk Water Service Contract's total operations budget in 2022/23 is 26.0 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.

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 Upper Burnett Bulk Water Service Contract are 78.8 per cent above the QCA's recommended cost target. This is because of an increased frequency for statutory inspections of equipment including cranes and fire panels, leading to higher labour costs (and associated non-direct costs).

Corrective maintenance

In 2022/23, Sunwater anticipates spending \$166.5k on corrective maintenance in the Upper Burnett Bulk Water Service Contract. This is significantly above the QCA's recommended cost target, with corrective works on the Claude Wharton fishway contributing to a large portion of this spend along with escalating labour and non-direct costs above the QCA's allowance.

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}

Upper Burnett Bulk Water Service Contract	2018/19	2019/20	2020/21		Variance \$'000	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		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	431.5	683.0	771.2	739.5	(31.7)	1365.9	594.3	789.8	156.4	396.3	307.1	410.5	449.6
Unplanned corrective maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Annuity-funded total	431.5	683.0	771.2	739.5	(31.7)	1365.9	594.3	789.8	156.4	396.3	307.1	410.5	449.6
Non-annuity funded													
Dam Improvement Program	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facility projects	-	-	-	-	-	36.2	-	407.2	-	643.5	190.2	10.3	30.8
Metered offtakes and dividend reinvestment	2.8	7.5	-	-	-	-	-	-	-	-	-	-	-
Non-annuity total	2.8	7.5		-		36.2		407.2		643.5	190.2	10.3	30.8

1. Sunwater’s 2022/23 to 2026/27 budget figures are draft as at the time of consultation. These figures will not be locked down until late in the financial year prior.
2. Forecast annuity-funded costs from 2020/21 exclude recreational facility projects.
3. The annuity-funded spend for 2018/19 reflects the QCA’s 2020–2024 irrigation price investigation final recommendations, which included adjustments to Sunwater’s actual costs.
4. Reflects the QCA’s 2020–2024 irrigation price investigation final recommendations.

Our performance in 2020/21

Performance against the QCA target

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

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

In 2020/21, Sunwater delivered the annuity-funded program of works within the QCA's recommended cost target.

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 refurbish guard valves 1 and 2 at Wuruma Dam.

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

² See pages 58 to 60, www.qca.org.au/wp-content/uploads/2020/02/irrigation-price-review-part-b-sunwater-final-report.pdf

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

Upper Burnett 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	(2519.3)	(2796.9)	(3488.1)	(3615.3)	(4361.8)	(4547.0)	(4339.8)	(4110.8)	(3968.1)
Spend ²	(431.5)	(683.0)	(739.5)	(1365.9)	(789.8)	(396.3)	(307.1)	(410.5)	(449.6)
Insurance proceeds receipts (if applicable)									
Prior year	-	-	-	-	-	-	-	-	-
Current year	146.2	-	-	-	-	-	-	-	-
Annuity contribution ³	196.3	201.3	764.9	777.5	795.4	802.3	725.9	732.9	747.7
Interest/financing costs	(188.7)	(209.5)	(152.5)	(158.1)	(190.7)	(198.8)	(189.7)	(179.7)	(173.5)
Sunwater – Closing balance	(2796.9)	(3488.1)	(3615.3)	(4361.8)	(4547.0)	(4339.8)	(4110.8)	(3968.1)	(3843.4)
QCA – Closing balance	(2796.9)	(3486.5)	(3645.3)	(3621.4)	(3140.8)	(2750.5)			
Difference	-	(1.7)	30.0	(740.3)	(1406.2)	(1589.3)			

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

Appendix 1—Historical water usage

The below table contains the scheme’s recent water use, together with the 19-year average for the 2002/03 to 2020/21 period. 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
2020/21	22,065
19-year historical average	16,113

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

Upper Burnett 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	786.6	823.7	813.9	981.2	167.3	1052.3	831.2	1072.6	851.2	1116.3	1155.9	1193.6	1245.4
Labour	173.8	189.5	162.6	193.9	31.4	195.2	166.3	222.3	170.6	229.0	235.9	242.9	250.2
Contractors	17.7	17.8	19.6	14.3	(5.4)	27.8	20.0	24.4	20.5	25.0	25.7	26.4	27.2
Materials	9.9	13.2	14.0	4.4	(9.6)	9.8	14.3	9.8	14.6	10.0	10.3	10.6	10.9
Electricity	5.9	7.9	5.7	9.0	3.2	14.0	5.8	9.0	5.9	9.2	9.5	9.8	10.0
Insurance	106.4	117.8	134.0	157.1	23.0	209.1	136.7	176.7	139.8	190.6	205.7	221.9	239.4
Other	97.5	112.4	92.6	129.9	37.3	115.0	94.4	114.0	96.6	116.5	120.6	122.1	126.8
Local area support costs	94.9	90.6	68.8	105.0	36.2	118.4	70.3	135.7	72.0	139.8	144.0	148.3	152.8
Corporate support costs	157.0	143.8	125.7	188.1	62.5	185.4	128.4	211.2	131.5	217.5	224.1	230.8	237.7
Indirect costs	123.5	130.6	190.9	179.5	(11.4)	177.7	195.0	169.6	199.7	178.5	180.2	180.7	190.5
Preventative maintenance	176.7	246.3	138.5	216.3	77.8	212.2	141.6	259.4	145.1	267.9	275.2	281.7	291.7
Labour	57.8	77.9	43.9	61.3	17.4	62.3	44.9	80.0	46.1	82.4	84.8	87.4	90.0
Contractors	1.0	4.4	4.1	-	(4.1)	2.9	4.2	2.9	4.3	3.0	3.1	3.2	3.3
Materials	0.8	4.0	0.9	-	(0.9)	2.0	0.9	2.0	0.9	2.0	2.1	2.1	2.2
Other	3.4	9.0	5.7	8.9	3.2	4.9	5.8	4.9	5.9	5.0	5.1	5.3	5.4
Local area support costs	43.7	39.4	18.6	35.7	17.1	38.7	19.0	48.0	19.5	49.4	50.9	52.4	54.0
Corporate support costs	42.7	59.2	34.0	62.0	28.0	59.2	34.7	76.0	35.5	78.2	80.6	83.0	85.5
Indirect costs	27.2	52.5	31.3	48.5	17.2	42.3	32.0	45.7	32.8	47.9	48.6	48.3	51.3
Corrective maintenance	41.1	40.8	43.4	147.5	104.2	83.9	44.3	166.5	45.3	171.8	176.5	180.8	187.0
Labour	8.7	10.4	8.3	16.2	7.9	18.7	8.5	45.8	8.7	47.2	48.6	50.1	51.6
Contractors	8.6	0.3	8.8	80.1	71.2	14.6	9.0	14.6	9.2	15.0	15.4	15.9	16.3
Materials	2.4	1.9	5.8	10.6	4.7	4.9	6.0	4.9	6.1	5.0	5.1	5.3	5.4
Other	0.5	8.1	4.5	3.2	(1.3)	3.9	4.6	3.9	4.7	4.0	4.1	4.2	4.3
Local area support costs	9.3	5.2	3.5	9.0	5.5	11.2	3.6	27.5	3.7	28.3	29.2	30.0	30.9
Corporate support costs	6.4	8.0	6.4	15.7	9.3	17.8	6.6	43.5	6.7	44.8	46.2	47.6	49.0
Indirect costs	5.2	6.7	5.9	12.8	6.8	12.7	6.1	26.2	6.2	27.4	27.9	27.7	29.4
Operating costs total	1004.3	1110.8	995.7	1345.0	349.3	1348.3	1017.0	1498.5	1041.5	1556.0	1607.6	1656.0	1724.1
Annuity-funded costs													
Labour		91.2	107.6	103.2	(4.4)	197.6	86.0	133.4	26.4	66.9	52.0	69.8	76.3
Contractors		384.0	360.7	345.9	(14.8)	445.9	194.0	146.7	29.0	73.4	56.9	76.2	83.1
Materials		25.6	28.1	26.9	(1.2)	195.6	85.1	146.7	29.0	73.4	56.9	76.2	83.1
Other		14.9	32.9	31.6	(1.4)	85.3	37.1	80.0	15.8	40.0	31.0	41.6	45.3
Local area support costs		36.5	50.9	48.8	(2.1)	119.7	52.1	80.0	15.8	40.1	31.2	41.9	45.8
Corporate support costs		68.1	108.0	103.5	(4.4)	187.7	81.7	126.7	25.1	63.6	49.4	66.3	72.5
Indirect costs		62.8	83.0	79.6	(3.4)	134.1	58.3	76.3	15.1	38.9	29.8	38.6	43.5
Annuity-funded total¹	431.5	683.0	771.2	739.5	(31.7)	1365.9	594.3	789.8	156.4	396.3	307.1	410.5	449.6
Total costs²	1435.8	1793.8	1767.0	2084.6	317.6	2714.3	1611.3	2288.3	1197.9	1952.3	1914.8	2066.5	2173.7

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 Upper Burnett Bulk Water Service Contract in 2020/21³ and the actual projects undertaken.

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
Wuruma Dam	Replace – regulating and guard valve 1.	190	8	This project was deferred to 2021/22 due to significant delays in the manufacture of the guard valve and supply from overseas.
Wuruma Dam	Study – updated hydrological studies to inform the comprehensive risk assessment (CRA).	83	182	A complete revision to the CRA inputs studies was completed, which exceeded the original scope of work.
Scheme	Replace – customer meters.	62	35	Fewer meters required replacement than planned.
John Goleby Weir	Replace – trash screen and minor changes to the inlet structure.	60	47	This project originally included the construction of an isolating structure and replacement of a trash screen. The isolating structure was completed; however, the trash screen was found to be in a better condition than anticipated and did not require replacement.
Claude Wharton Weir	Refurbish – gate cylinders.	49	30	Sunwater identified and implemented an alternative cost-effective solution to address the pressure issue.
Wuruma Dam	Refurbish – valve house roof.	44	6	Works were deferred to 2021/22.
Scheme	Study – asset revaluation.	43	0	The asset revaluation was not undertaken as part of the annuity-funded program of works.
Multiple	Various projects.	243	190	<p>The cost variance was primarily driven by:</p> <ul style="list-style-type: none"> • deferral of several projects to 2021/22 (\$40k) • identification and implementation of a cost-effective solution to modify a trash screen lifting frame, resulting in savings of \$26k • bundling of a deformation survey at John Goleby Weir with another survey (\$8k less) • the completion of the arc flash study being carried over to 2021/22 (\$15k less) • the service contract’s contingency amount of \$32k not being required. <p>These reductions were partially offset by higher costs to refurbish the spillway wall concrete at Claude Wharton Weir (\$34k more) and construct a shed at Wuruma Dam (\$85k more). The extent of damage at Claude Wharton Weir was worse than anticipated and additional works were required. In relation to the shed, Sunwater originally planned to construct a</p>

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

Facility	Activity description	Forecast \$'000	Actual \$'000	Commentary
				small shed to store maintenance equipment for the dam. The shed size was expanded to also allow the storage of cores. The core shed required replacement soon, so combining the works by constructing a larger shed was more efficient.
Multiple	Various projects.	0	242	This expenditure mostly relates to the 20-year dam safety review (\$239k), which commenced in 2019/20. Deficiencies in the geotechnical data hindered the completion of the report, with additional work required in 2020/21 to finalise. The remainder of the expenditure related to meter replacements (\$2k).
2020/21 Total		774	740	

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	John Goleby Weir	Refurbish – reline conduit lining based on known asset condition and age.	102
	Scheme	Replace – customer meters based on known asset condition and age.	136
	Claude Wharton Weir	Study – comprehensive inspection based on asset management standards and to better understand asset condition and risk.	45
	Claude Wharton Weir	Refurbish – outlet works bulkhead gate based on known asset condition and age.	67
	Wuruma Dam	Refurbish – guard valves 1 and 2 based on known condition and risk.	190
	Multiple	There are nine other annuity-funded projects planned for 2022/23. These projects include the replacement of screw thread spindles at Claude Wharton Weir; adjusting the low-level guard valve actuator settings; updating switchboard drawings at Wuruma Dam; a study to determine the appropriate use of the low-level guard valve; design and installation of a new bulkhead storage rack at Wuruma Dam; patch paint pipework in the valve house at Wuruma Dam; repairs to the valve house roof crack at Wuruma Dam; and refurbishing minor electrical assets at Wuruma Dam.	251
	2022/23 Total		790
2023/24	Wuruma Dam	Replace – guard valve No. 2 based on current condition.	162
	Scheme	Replace – customer meters based on known asset condition and age.	140
	Jones Weir	Replace – outlet works gearbox based on known condition.	60
	Claude Wharton Weir fishway	Refurbish – exit channel screen based on known condition.	9
	Wuruma Dam	Study – options for replacing electrical cabling.	25
	2023/24 Total		396
2024/25	John Goleby Weir	Refurbish – clean pressure relief drain based on known asset condition and age.	31
	Scheme	Replace – customer meters based on known asset condition and age.	144
	Wuruma Dam	Replace – electrical cabling (design) based on known asset condition and age.	50
	Claude Wharton Weir	Refurbish – outlet gate No. 1 based on known asset condition and age.	42
	Claude Wharton Weir fishway	Refurbish – gates 2 and 3 hydraulic actuators based on known asset condition and age.	40
	2024/25 Total		307

Year	Facility	Activity description	Forecast \$'000
2025/26	Wuruma Dam	Replace – electrical cabling based on known asset condition and age. Covers installation and commissioning.	77
	Scheme	Replace – customer meters based on known asset condition and age.	148
	Wuruma Dam	Refurbish – inlet trash screen based on current risk.	26
	Scheme	Study – asset revaluation to define asset value for insurance purposes and future expenditure profiles.	57
	Claude Wharton Weir	Refurbish – outlet gate No. 2 based on known asset condition and age.	45
	John Goleby Weir	Study – deformation survey to measure any movement in the weir structure.	13
	Multiple	There are three other annuity-funded projects planned for 2025/26 to refurbish scoured concrete, a corroded door frame and gallery wall cracks at Wuruma Dam.	45
	2025/26 Total		410
2026/27	Scheme	Replace – customer meters based on known asset condition and age.	153
	Wuruma Dam	Study – comprehensive inspection based on regulatory requirements and to better understand asset condition and risk.	158
	John Goleby Weir	Refurbish – clean pressure relief drain based on known asset condition and age.	40
	Jones and John Goleby weirs	Study – comprehensive inspections based on asset management standards to better understand asset condition and risk.	72
	Gauging station 136003	Replace – gauging equipment based on current condition.	20
	John Goleby Weir	Replace – gate valve based on current condition.	7
	2026/27 Total		450

Contact us

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

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