

Building Compliance and Remediation – Corporate Sites

Regulatory Business Case (RBC) 2024-29

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1. Summary

This business case has been prepared to support the 2024-29 Regulatory Proposal. The business case demonstrates that Power and Water has undertaken appropriate analysis of the need for the expenditure and identified credible options that will resolve the need and ensure that Power and Water continues to meet the National Electricity Objectives and manage the network prudently and efficiently.

The proposed expenditure identified in this business case will undergo further assessment and scrutiny through Power and Waters normal governance processes prior to implementation.

The focus of this business case is addressing the safety and compliance risks posed by Power and Water's corporate offices, following a recent audit and infrastructure approaching end of life.

1.1 Business need

Power and Water Corporation (Power and Water) is a Northern Territory Government-owned Corporation that is responsible for the provision of electricity, water and sewerage services across the Northern Territory, an area of more than 1.3 million square kilometres. The three regulated networks in the Northern Territory that Power and Water is responsible for are:

- The northern network grid, which services about 150,000 people and stretches from Darwin to the south of Katherine including Batchelor, Adelaide River, Pine Creek, Mataranka and Larrimah
- The Tennant Creek network grid, which services about 7,000 people in and around Tennant Creek
- The southern electrical grid, which services the Alice Springs area which is home to about 28,000 people.

On 23 September 2020, Power and Water initiated an audit to evaluate the compliance of its buildings and structures in accordance with the requirements of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*. These audits were initiated on the back of Power and Water's facilities and infrastructure management frameworks which seek to leverage condition and compliance data to better inform:

- Facilities and infrastructure risk
- The delivery of long-term capital works
- Ongoing service requirements
- Financial forecasting.

The intent and objective of the audit was to:

- Build a compliance picture for Power and Water with regard to building standards and regulatory provisions.
- Establish the overall risk context in accordance with the *Enterprise Risk Management Framework*.
- Inform the decision-making processes which surround the corrective actions needed to control and/or rectify building and structural non-compliances.

There are two drivers for the proposed investment for building compliance and remediation:

- A primary driver of risk mitigation, safety and compliance; and
- A secondary driver of renewal and replacement.

Power and Water must comply with the *Government Owned Corporations Act 2001 (NT)*, the *Work Health and Safety (National Uniform Legislation) Act 2011 (NT)*, the National Construction Code (NCC), and the *Building Amendment (Occupancy Certification) Act 2016*. The specific obligations contained in the various legislations are discussed below in section 2.2.

The secondary driver of renewal and replacement arises as some building infrastructure reaches end of life, which is usually due to deterioration to an unusable state, or to the point that it is no longer able to be insured.

1.2 Options analysis

The options considered to resolve the identified need are shown in the table below.

Table 1 Summary of credible options

Option No.	Option name	Description	Recommended
1	Do nothing	No proactive compliance and remediation works would be carried out in the 2024-29 regulatory period	No
2	Comprehensive 'All at Once' approach	All work required to fully rectify any risks or compliance issues would be undertaken in a single comprehensive project	No
3	Staged remediation approach	This option involves a staged remediation process combined with preventative action with prioritisation of work based on a risk assessment.	Yes

1.3 Recommendation

The recommended option is Option 3 – Stage remediation at an estimated cost of \$4.24 million (real 2021/22). This option has superior benefits compared with the other options assessed, at a lower cost.

This option will adequately address the business need. None of the corporate sites will retain a risk rating of “high” or “very high”. None of the corporate sites will be non-compliant with any of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*.

The forecast expenditure for the next regulatory control period allocated to Standard Control Services as per the CAM is outlined in Table 2 for the 2024-29 regulatory period.

Table 2 Annual capital and operational expenditure (\$m, real 2021/22)

Item	FY25	FY26	FY27	FY28	FY29	Total
Capex	-	-	1.41	1.41	1.41	4.24
Opex	-	-	-	-	-	-
Total	0	0	1.41	1.41	1.41	4.24

2. Identified need

The purpose of this section is to provide the background information for the need to invest in building compliance and remediation. The scope of the expenditure for this business case is limited to corporate sites that provide standard control services.

2.1 Asset overview

Power and Water has six corporate site properties across the Northern Territory, set out in the table below. Together they accommodate over 1,000 staff plus (part time) contractors and consultants who all rely on the continued level of functionality of the premises in order to perform their roles and to facilitate the supply of power to residents of the Northern Territory.

Table 3 Power and Water Corporate Locations

Property	Location	Number of Staff	Description of Use
Ben Hammond Complex	Iliffe Street, Stuart Park NT 0820	520	An urban corporate site which accommodates people and infrastructure which is responsible for the operational delivery of essential utility services (power, water and gas)
Sadadeen Valley Complex	25 Berger Court, Sadadeen NT 0870	88	A regional corporate site which accommodates people and infrastructure who are responsible for providing strategic and corporate support needed to enable the delivery of essential utility services (power, water and gas)
Victoria Highway Complex	88 Victoria Highway, Katherine NT 0850	18	A regional corporate site which accommodates people and infrastructure who are responsible for providing strategic, operational and corporate support needed to enable the delivery of essential utility services (power, water and gas)
Mitchell Centre	55 Mitchell Street, Levels 2 / 6 & 7, Darwin NT 0800	312	An urban corporate site which accommodates people and infrastructure who are responsible for providing strategic and corporate support needed to enable the delivery of essential utility services (power, water and gas)

Property	Location	Number of Staff	Description of Use
Jacana Place (Wood Street)	39 Woods Street, Levels 2 / 6 & 7. Darwin NT 0800	109	An urban corporate site which accommodates people and infrastructure who are responsible for providing strategic and corporate support needed to enable the delivery of essential utility services (power, water and gas)
Standley Street Complex (also called Tennant Creek Complex)	Lot 2505 Standley Street, Tennant Creek NT 0862	13	A regional corporate site which accommodates people and infrastructure who are responsible for providing strategic, operational and corporate support needed to enable the delivery of essential utility services (power, water and gas)

2.2 Compliance Requirements and Considerations

There are various legislation, regulations and codes that Power and Water’s property and facilities must comply with. Each obligation is described below in more detail.

Government Owned Corporations Act

The *Government Owned Corporations Act 2001 (NT)* (‘GOC Act’) dictates the level of autonomy and accountability that corporations owned by the Northern Territory Government (NTG) are subject to. One of accountability measure pertains to Power and Water’s statement of corporate intent and risk management governance. Section 40 of the GOC Act requires the statement of corporate intent to include, among other things, the material risks faced by Power and Water and a set of strategies to minimise those material risks.

Health and Safety Act

The *Health and Safety (National Uniform Legislation) Act 2011 (NT)* (‘NT Health and Safety Act’) sets out the key principles, duties, obligations and rights in respect to occupational health and safety in the Northern Territory. Under this Act, Power and Water and its management staff have a duty to ensure, so far as is reasonably practicable, that the workplace, means of entering and exiting the workplace, and anything arising from the workplace are without risk to the health and safety of any person. The provision of a safe workplace extends to ensuring the security of the workplace is up to date and safe. The relevant obligation is contained in section 20(2) of the NT Health and Safety Act. Failure to comply with these obligations can result in serious fines with a maximum penalty of \$1,500,000 in the case of an offence committed by a body corporate.

National Construction Code

The National Construction Code (‘NCC’) is Australia’s primary set of technical design and construction provisions for buildings. It sets the minimum required level for the safety, health, amenity, accessibility and sustainability of buildings. The NCC is produced and maintained by the Australian Building Codes Board on behalf of the Commonwealth Government and the Northern Territory Government. The National Construction Code is given legal force by section 4 of the Building Regulations 1993 (NT). Power and Water

must ensure their buildings comply with this Code and remain compliant. The maximum penalty for non-compliance is 80 penalty units, and an additional penalty not exceeding 8 penalty units for each day the non-compliance continues. This is equivalent to a maximum of \$12,960 and a maximum daily fine of \$1,296 in FY23.

Building Amendment (Occupancy Certification) Act

The *Building Amendment (Occupancy Certification) Act 2016* ('BAOC Act') reflects changes made by the Northern Territory Government to the Building Act 1993 ('Building Act'). It provided clarity on the issue of occupancy certification for an expired Building Permit and created two new categories of occupancy certification in addition to the existing Occupancy Permit (contained in Division 2A and Division 3). Power and Water must ensure their buildings attain and retain occupancy certification under section 65 of the Building Act. Failure to comply with this requirement may attract a maximum fine of 85 penalty units, equivalent to \$13,770 in FY23.

2.3 Current management program

Power and Water have an established program for building compliance and remediation. This is a continued effort to address the risks identified in a desktop audit completed in the current period. The drivers for investment are safety and compliance risks posed by relatively poor condition of our buildings.

Power and Water must ensure that its buildings and facilities comply with various legislative and regulatory requirements including the *Government Owned Corporations Act 2001 (NT)*, the *Work Health and Safety (National Uniform Legislation) Act 2011 (NT)*, the *National Construction Code (NCC)*, and the *Building Amendment (Occupancy Certification) Act 2016 (NT)*. The specific obligations contained in these acts are discussed in section 2.2.

Some components of Power and Water's building assets are reaching end-of-life, with asset condition reaching the point where safety and other risks are forecast to reach unacceptable levels in the next RCP. The two main criteria for assessing end-of-life are:

- Assets are no longer usable.
- Assets are no longer insurable.

Assets for which the deterioration posed unacceptable risks in the current regulatory period are being addressed.

An example of the compliance and remediation projects that have been carried out in the 2019-24 regulatory period at three of Power and Water's corporate sites, are described in the table below.

Table 4 Compliance and Remediation Works at Corporate Sites undertaken in 2021/22

Property	Business Case	Date	Description of Works
Sadadeen Valley Complex	CFA30014	07/21 to 06/22	No description available.
Ben Hammond Complex	CFD30076	07/21 to 06/22	Fire protection systems and equipment including a foam deluge suppression system

Victoria Highway Complex	CFK30006	07/21 to 06/22	Fire door replacement; electrical upgrade; installation of patch panels and termination mechs
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Routine monitoring and upgrade of building infrastructure is a recurrent project to ensure that Power and Water’s assets are functional and fit-for-purpose, therefore ensuring the continued operation of works and the provision of services to customers across the Northern Territory.

2.4 Asset condition and emerging issues

Power and Water has identified instances of non-compliance and substantial risks present across corporate sites following a compliance audit.

On 23 September 2020, Power and Water initiated an audit to evaluate the compliance of its buildings and structures in accordance with the requirements of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*. These audits were initiated on the back of Power and Water’s facilities and infrastructure management frameworks, which seek to leverage condition and compliance data to better inform:

- Facilities and infrastructure risk
- The delivery of long-term capital works
- Ongoing service requirements

The intent and objective of the financial audit was to:

- Build a compliance picture for Power and Water regarding building standards and regulatory provisions
- Establish the overall risk context in accordance with the *Enterprise Risk Management Framework*
- Inform the decision-making processes which surround the corrective actions needed to control and/or rectify building and structural non-compliances.

To achieve the objectives of this audit, the following tasks were conducted:

Buildings and Structures - Desktop Assessment

A desktop assessment of all facilities and infrastructure across each business unit was undertaken. Focus areas of this assessment included:

- Interrogating relevant Northern Territory Government data systems and information repositories
- Analysing the status of infrastructure Building Permits (BP) and Occupancy Permits (OP)
- Evaluating general site compliance against relevant standards and regulatory provisions.

Buildings and Structures – Compliance Register

Development of a Compliance Register specific to business unit accountabilities. Key elements of this register include:

- Identification of accountable business unit
- Facility / Structure name, type & location
- Compliance status

- Verification of Building Permit (where applicable)
- Certifier Details.

Buildings and Structures – Risk Register

Development of a Risk Register to establish the overall risk context informed by audit findings. Key elements of the register include:

- Identification of accountable business unit
- Facility / Structure name, type & location
- Compliance status
- Risk Descriptor
- Current Residual Risk Rating & Commentary.

Summary

The total compliance picture for buildings and structures is summarised below Table 5 and Table 6.

Table 5 Compliance Audit: Residual Risk Count as at 7 October 2021

Current Residual Risk Rating	Risk Count
Very High	84
High	42
Medium	67
Low	143
Total Risk Count	336

Table 6 Compliance Status of actions arising from Audit as at 7 October 2021

Compliance Status	Compliance Count
Cancelled – The permit is no longer valid due to request from Certifier	15
Complete – BP & OP have both been issued	102
Expired – A BP has been issued / 2 years has lapsed with no OP issued	36
Registered – A BP has been issued / OP has not been issued	11
Reserved – An application for BP has been lodged/ Permit has not been issued	3
Status unknown	162
Unauthorised building works (UBW)	6

Parcel portion cancelled (see building record)	1
Total	336

2.5 Risk Assessment

Power and Water’s “**Enterprise Risk Management Standard**” and Values Framework were both applied. Of the risks contained in the standard, four were relevant: legal and regulatory, health and safety, people and culture, and governance risks.

Legal and Regulatory Risks

Legal and regulatory risks specifically relate to Power and Water’s ability to maintain its ‘Licence to Operate’ through adherence to the laws and regulations relevant to its business. These risks do not include those related to regulatory compliance in health and safety, which are covered separately. Legal and regulatory risks are identified and managed by the Business Units in consultation with Legal and Secretariat teams. Several pieces of legislation have been identified above as impacting Power and Water’s building compliance standards.

Health and Safety Risks

Health and safety risks are identified and managed by the Health and Safety and Facilities teams, in collaboration with Site Managers and in accordance with the Work Health and Safety Management Standard. As mentioned above, despite being legislative in nature, any risks and obligations relating to the NT Health and Safety Act fall under this risk category. As set out in section 2.2, there is an obligation to provide a safe workplace under the Act, ensuring any working environments are compliant, safe and fully functional.

People and Culture Risks

People and culture risks relate to Power and Water’s commitment to attract and retain key talent necessary to meet its strategic objectives, and creation of a safe and constructive culture. These risks, which include physical safety, are identified and managed by Operations and Corporate Services teams. Power and Water staff and contractors are unable to work in an unsafe or non-compliant building.

Governance Risks

Governance risks can be defined as the risks associated with failure of the governance framework including the design of structures, roles and responsibilities, policies and procedures and information and communication. This includes those risks managed through the corporate functions such as contractor management, enterprise risk framework, fraud, insurance, physical security and business resilience. If Power and Water improperly manage the building permit and certification process, allowing buildings to become non-compliant with codes and legislation, then this would be classifiable as a governance risk.

2.6 Consequences of Failure

There are three categories for consequences of failure: non-compliance, business-related and inconsistency with values.

2.6.1 Non-Compliance

As highlighted above in section 2.2, being non-compliant with certain obligations can result in substantial fines. In addition, Power and Water must maintain its Licence to Operate. This network distribution licence is managed by the Utilities Commission of the Northern Territory and requires Power and Water to ensure it is compliant with all legislative and regulatory obligations. Directors and company officers such as board members and the CEO have additional obligations under the *Corporations Act 2001* (Cth) which can enliven personal liability and consequences.

2.6.2 Business

Failure to address the compliance and risk issues identified above will have consequences for Power and Water as a business. Primarily, as mentioned above, non-compliance with legal obligations places Power and Water's operating licence at risk of cancellation. Beyond that, there are also reputational risks. Knowledge of any non-compliance, or safety incidents occurring as a result of that non-compliance, would damage Power and Water's reputation and may lead to a loss of business and customers.

2.6.3 Values

Additionally, reference to Power and Water's "**Culture Kit – Values in Action**" reveals that failure to address the issues identified would result in a breach of the values framework. Power and Water's top value is 'putting people first'. Signature behaviours that action this value include putting safety 'first, last and every moment in between' and looking after staff, contractors and the public at all times. Ensuring Power and Water staff and contractors have a safe and compliant workplace feeds into this value and supports its continued realisation.

2.7 Summary

Power and Water's building compliance obligations originate from numerous sources of legislation and codes. These compliance obligations must be maintained to prevent instances of non-compliance or risks to health and safety, people and culture, or legal and regulatory.

Several Corporate buildings have areas of non-compliance or high risk scenarios. These situations must be addressed in order to ensure all staff and contractors are safe, Power and Water does not incur any fines and can maintain its Licence to Operate.

3. Options analysis

This section describes the options that were considered in order to address the identified need. The options are analysed based on ability to address the identified needs, prudence and efficiency, commercial and technical feasibility, deliverability, benefits and an optimal balance between long term asset risk and short-term asset performance.

3.1 Comparison of credible options

Credible options are identified as options that address the identified need, are technically feasible and can be implemented within the required timeframe. The following options have been identified:

- Option 1 – Do nothing. This option proposes no proactive compliance and remediation works would be carried out in the next regulatory period.
- Option 2 – Comprehensive ‘all at once’ approach. This option includes all work required to fully rectify any risks or compliance issues would be undertaken in a single comprehensive project.
- Option 3 – Staged remediation. This option involves a staged remediation process combined with preventative action, with prioritisation of work based on a risk assessment.

A comparison of the three identified options and the issues they address in the identified need is depicted in the table below. A detailed discussion of each option is provided below.

Table 7 Summary of options analysis outcomes

Assessment metrics	Option 1	Option 2	Option 3
NPV (\$m, real FY22)	-	-	-
Capex (\$m, real FY22)	n/a	8.47	4.24
Opex (\$m, real FY22)	-	-	-
Meets customer expectations	○	●	●
Aligns with Asset Objectives	○	●	●
Technical Viability	●	◐	●
Deliverability	○	●	◐
Preferred	✘	✘	✓
Ranking	3	2	1

- Fully addressed the issue
 ◐ Adequately addressed the issue
 ◑ Partially addressed the issue
 ○ Did not address the issue

As this program of works is required for compliance, the benefits have not been quantified and hence the NPV is negative. A NPV has not been calculated.

3.1.1 Option 1 – Do Nothing

Under this option, no proactive compliance and remediation works will be carried out to address the needs identified in this business case and Power and Water’s corporate sites will continue to be non-compliant. This will result in the continuation of the instances of non-compliance and ‘high’ and ‘very high’ risk situations discussed in section 2.

The advantages and disadvantages of this options are shown in the table below.

Table 8 Option 1: Advantages and Disadvantages

Advantages	Disadvantages
No upfront costs (when possible fines are not taken into account), although it will result in higher costs in the long term	Does not mitigate health and safety risks that may be present on site
	Does not comply with relevant building codes and legislation
	Does not mitigate exposure to financial penalties that may arise due to non-compliance with codes, regulations or legislation
	Investment and expenditure become ‘lumpy’ and unpredictable.

This option does not address the need identified in section 2. Four corporate sites will retain at least one risk rating of “high” or “very high”. Five corporate sites will remain non-compliant with at least one of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*.

Based on the above information, Option 1 ‘Do Nothing is not a credible option because it does not address any of the immediate “high” and “very high” level risks and leaves Power and Water non-compliant with numerous legislative and regulatory requirements and obligations. Accordingly, a financial assessment of this cost has not been undertaken.

This option is not recommended.

3.1.2 Option 2 – Comprehensive ‘All at Once’ Approach

Under this option, all work required to fully rectify all risks or compliance issues outlined in section 2 will be carried out at once during the upcoming 2024-29 regulatory period. Option 2 has an estimated cost of \$8.47 million (real 2021/22).

None of the corporate sites will retain a risk rating of “high” or “very high”. None of the corporate sites will be non-compliant with any of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*.

The advantages and disadvantages of this options are shown in the table below.

Table 9 Option 2: Advantages and Disadvantages

Advantages	Disadvantages
Mitigates all health and safety risks that may be present on site	Significant upfront costs, although it will result in lower costs in the long term
Ensures full compliance with all relevant building codes and legislation	Significant delivery risk
Mitigates exposure to financial penalties that may arise due to non-compliance with codes, regulations, or legislation	Will require significant resources to plan and deliver the project
Cost efficiencies arising from bulk action (e.g. labour costs)	Does not align with the corporate risk assessment and prioritisation approach

Based on the above information, Option 2 Comprehensive Approach is not recommended. Although it does address the identified need and whilst technically it would address the risks, it is unlikely to be deliverable in the next regulatory period and the relatively high cost leads to it not being recommended.

3.1.3 Option 3 – Staged Approach

This option involves a staged delivery of remediation works combined with risk-based preventative action at an estimated cost of \$4.24 million (real 2021/22). The order of works will be based on a risk assessment with high-risk issues being prioritised, and medium and lower risks being actioned in the future.

The advantages and disadvantages of this options are shown in the table below.

Table 10 Option 3: Advantages and Disadvantages

Advantages	Disadvantages
Mitigates immediate and high health and safety risks	Medium and low risks may not be fully addressed in the next regulatory period.
Ensures immediate compliance with all relevant building codes and legislation	
Mitigates exposure to financial penalties that may arise due to non-compliance with codes, regulations, or legislation	
Allows for proactive scheduling and completion of works minimising the need for unplanned outages and to realise cost efficiencies	

Advantages	Disadvantages
Lower upfront cost option than Option 2	
Low delivery risk	

This option will adequately address the needs identified in section 2. None of the corporate sites will retain a risk rating of “high” or “very high”. None of the corporate sites will be non-compliant with any of the *National Construction Code (NCC)*, the *Building Amendment (Occupancy Certification) Act 2016* and the *NT Work Health and Safety (National Uniform Legislation) Act 2011*.

Based on the above information, Option 3 is the recommended option as it addresses the identified need in a technically feasible and deliverable manner, and it is efficient in that it is the option with the least cost.

4. Recommendation

The recommended option is Option 3 – Staged Approach at an estimated cost of \$4.24 million (real 2021/22) to be most prudent and cost effective to meet the identified needs.

The proposed program is consistent with the National Electricity Rules Capital Expenditure Objectives as the expenditure is required to maintain the quality, reliability, and security of supply of standard control services and maintain the safety of the distribution system.

4.1 Strategic alignment

The “Power and Water Corporation Strategic Direction” is to meet the changing needs of the business, our customers and is aligned with the market and future economic conditions of the Northern Territory projected out to 2030.

This proposal aligns with Asset Management System Policies, Strategies and Plans that contributes to the D2021/260606 “PWC Strategic Direction” as indicated in the table below.

Table 11 Strategic Direction focus areas

Strategic direction focus area		Strategic direction priority
1	Always Safe	Embed a Proactive Safety Culture
2	Living within our means	Cost Prudence

4.2 Benefits

The table below sets out the benefits and benefit measurements associated with carrying out the recommended option, Option 3.

Table 12 Benefits of the recommended Option 3

Benefits	Benefit Measurements
Improved productivity	This is an indirect benefit
Improved customer service and outcomes	This is an indirect benefit
Improved safety	The prevention of safety incidents can be measured by considering the number of recorded safety events that are linked to non-compliance risks or issues
Risk reduction and mitigation	The number of risks or instances of non-compliance that have been identified

Benefits	Benefit Measurements
Improved operational efficiency and reduction of opex	The reduction in maintenance costs will only be measurable after the implementation of asset management frameworks in future regulatory periods
Reduced exposure to fines and penalties	The dollar value attached to fines associated with non-compliance issues

4.3 Dependent projects

There are no known projects or other network issues that are dependent on this project.

4.4 Deliverability

The introduction of strategic asset managers and asset management frameworks will assist in managing the staged approach. There are no known deliverability or supplier issues.

4.5 Expenditure profile

The forecast expenditure for the next regulatory control period allocated to Standard Control Services as per the CAM is outlined in Table 13 for the 2024-29 regulatory period.

Table 13 Annual capital and operational expenditure (\$m, real 2021/22)

Item	FY25	FY26	FY27	FY28	FY29	Total
Capex	-	-	1.41	1.41	1.41	4.24
Opex	-	-	-	-	-	-
Total	0	0	1.41	1.41	1.41	4.24

4.6 High-level scope

The program described in this business case forms part of an enterprise-wide program.

The scope included for this business case is restricted to the regulated portion of Power and Water. In addition, the scope of the project is limited to corporate sites only for standard control services. No other properties or network assets will be upgraded under this business case.

Appendix A. Key assumptions and limitations

The following assumptions have been made for the purpose of this business case:

- The estimated cost for Option 3 was based on a bottom-up assessment.
- The estimated cost of Option 2, addressing the remaining Low and Medium risks in the next regulatory period, was estimated to be double the cost of Option 3.

The following limitations exist for this business case:

- Due to previous data recording processes and management systems, Power and Water does not have a large amount of robust, high-quality data available for benefit quantification. Although the data recording processes and management systems have since been overhauled and will be accurate and reliable going forwards, this means that any past data on may be incomplete. For example, the number of safety incidents (and corresponding incident details).
- As such, it was not possible to conduct a full cost-benefit assessment or properly quantify the benefits and costs.

As per the 'Business Plan – Supply Chain Strategy and Operations (2021-2025)', this program has the following KPIs:

- Delivered on Time
- Delivered on Budget (+/- 10%)
- Delivered Safely (No Loss Time Injury / No Recordable Injuries / No Safety Incidents)

These KPIs will ensure the project is delivered prudently and efficiently, and in a manner which minimises potential risks.

Contact

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