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2016/17 Annual Network Service Plan

Barker Barambah Bulk Water

July 2016

Table of Contents

Introduction	3
Financial Summary	4
Water Data	5
Revenue	6
Routine Expenditure	7
Operations	7
Changes to Flood Operations	8
Preventive Maintenance	8
Corrective Maintenance	9
Routine Cost – Summary and Charts	11
Non-Routine Expenditure	12
Non-Routine Budget	13
Annuity Balance	15
Overview of Annuity Funded Non-Routine Projects 2013-41	16
Material Projects 2017-18	17
Material Projects 2019-23	17
Material Projects 2024-41	18
Appendix 1: Total Expenditure by Expense Type	19
Notes	21

Introduction

A recommendation from the 2013-17 review of SunWater's irrigation pricing was for SunWater to produce annual Network Service Plans (NSPs) to help keep customers informed throughout the pricing period. These annual NSPs will focus on both routine expenditure (opex) and non-routine expenditure. In particular, the NSPs will cover:

- past performance for routine opex and non-routine expenditure,
- forecast opex and non-routine for the approaching year, and
- the long-term outlook for material non-routine spend.

This NSP compares SunWater's actuals for 2013, 2014 and 2015, budget for 2016 and budget for 2017 to the targets from the QCA's final report. The 2013-16 figures are provided for information only, with the focus the budget figures for 2017. The 2017 budget has been finalised following customer and shareholder consultation.

SunWater values customer feedback and will publish all submissions and SunWater's responses on our website. Customers can provide their feedback via email or post using one of the following addresses:

Email: nspfeedback@sunwater.com.au

Post: NSP Feedback
PO Box 15536 City East
Brisbane Qld 4002

Table 1: Operating Revenue Less Spend

Barker Barambah WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	917	1,023	1,217	1,369	1,078
Less - Routine Expenditure	4 & 7	676	861	869	925	836
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	120	615	176	160	263
• Non Annuity Funded	5	-	5	8	-	-
Surplus (Deficit)		121	(459)	164	283	(21)

Table 1 is a high level summary of the budgeted financial performance of the service contract. This document provides further detail of the planned spend on routine functions and non-routine projects across the 2017 year together with an estimate of revenue expected to be generated.

Figure 1: Breakdown of Total Scheme Costs – 2017 Budget

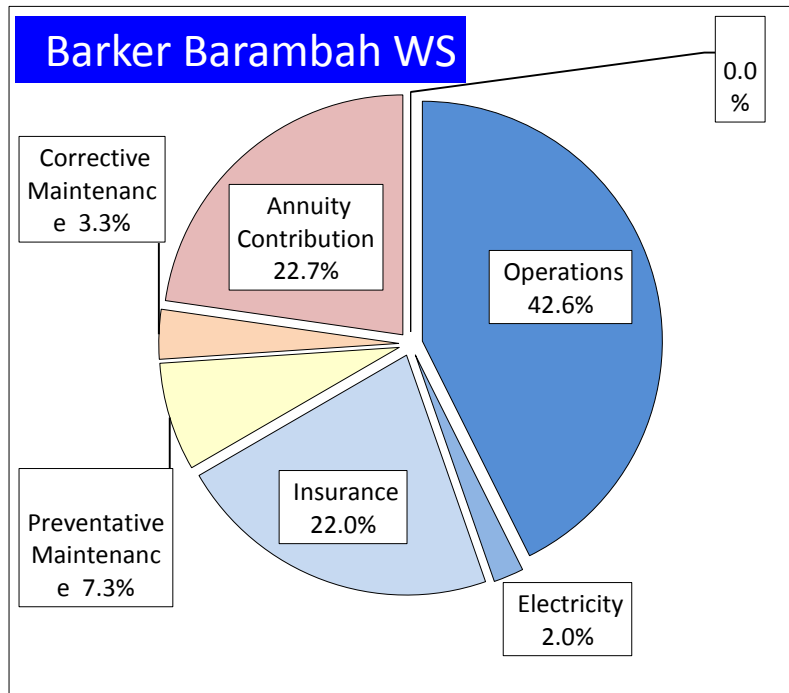


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component of the scheme’s total lower bound costs.

Table 2: Water Data

Scheme	Customer Segment	No. of Customers	Water Entitlements (ML)	High Water Priority (ML)	Medium Water Priority (ML)
Barker Barambah	1. Industrial		60	0	60
	2. Irrigation		31,361	0	31,361
	3. Urban		2,100	2,100	0
	5. SunWater		794	136	658
	Total	173	34,315	2,236	32,079

QCA Assumed Water Usage

55.1%

The 2017 budget is compiled taking onto account the QCA water use assumption.

The QCA established the Headworks Utilization Factor (HUF) for this scheme at Medium Priority 76% and High Priority 24% meaning that proportionally more costs in the scheme are apportioned to high priority water allocation holders on the basis that these water entitlements utilize more of the headworks assets located within the scheme. High priority water entitlements are typically held by urban and industrial customers. Further detail on the HUF and how it is applied to apportion scheme costs can be found in the QCA's final report from the 2012 pricing review, chapters 5 and 6. The QCA final report can be downloaded from www.qca.org.au/Water/Rural/SunWater-s-Irrigation-Prices. The HUFs for each bulk water scheme are published in the QCA final report in a table beginning on p193.

Table 3: Revenue

Barker Barambah WS	2013	2014	2015	2016	2017
	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Irrigation	566	807	799	822	837
Industrial	105	26	27	-	-
Urban	219	164	188	169	216
Irrigation CSO	1	-	-	-	-
Revenue Transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	25	25	18	26	26
Insurance Proceeds - Flood	-	-	186	352	-
Revenue Total	917	1,023	1,217	1,369	1,078

Note: Following feedback from customers, SunWater has unbundled bulk water charges from distribution system charges. This means that total revenue figures in past Performance Reports and NSPs may not match those above. There are no revenue transfers in this scheme.

Routine Expenditure

Table 4: Routine Operating Expenditure

Barker Barambah WS	2013			2014			2015			2016			2017			2013 to 2017				
	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Forecast \$000	QCA Target \$000	Variance \$000	SW Budget \$000	QCA Target \$000	Variance \$000	% of target	SW Forecast \$000	QCA Target \$000	Variance \$000	% of target
Operations	446	498	52	476	519	43	521	520	(0)	539	475	(63)	461	478	16	97	2,442	2,490	48	98
Electricity	10	16	6	28	17	(10)	27	18	(8)	13	20	7	22	21	(1)	103	99	93	(6)	106
Insurance	152	82	(71)	275	83	(192)	212	84	(128)	217	86	(131)	238	87	(150)	272	1,094	422	(672)	259
Operations Total	608	596	(12)	778	619	(160)	759	623	(136)	768	581	(187)	721	586	(135)	123	3,635	3,005	(630)	121
Preventative Maintenance	46	111	65	49	116	66	90	116	26	104	115	11	79	115	36	69	369	573	204	64
Corrective Maintenance	22	51	29	34	53	20	20	53	34	53	53	1	36	54	18	67	164	265	101	62
Routine Total	676	758	82	861	788	(74)	869	793	(76)	925	750	(176)	836	755	(81)	111	4,168	3,843	(325)	108

The budget routine spend is above the QCA's target for 2017.

Operations

Operation activities include the day-to-day costs of the administration and management of the scheme, water delivery and meeting compliance obligations. Specific activities include the direct and non-direct cost of¹:

- Scheduling and delivering water, including processing water orders, releasing water, operating pump stations, regulation and monitoring of channel flows and monitoring of customer deliveries;
- Emergency responses for channel overflows and other emergency events;
- IGEM (Inspector General Emergency Management) Response - (see Changes to Flood Operations below)
- Meter reading;
- Administration of water accounts, billing, and receipting payments;
- Customer management, including enquiries, complaints and maintaining the customer service help desk;
- Scheme management, including licences and permits, rates, land management, planning and reporting;
- Insurance;
- Monitoring the security of infrastructure and unauthorised access and trespass;
- Managing public relations associated with the scheme; and
- Managing enquiries from adjoining landholders, and in some cases developers, that require input and negotiations with SunWater's property and legal sections to resolve issues.

¹ Activities listed will not apply to all service contracts.

The operations budget in 2017 is 21% above the QCA target. This is due to the increases in insurance costs. Increased insurance premiums followed flood events that have occurred in the past few years in Queensland. Electricity costs are budgeted close to the QCA target in 2017, and are not a large cost component in this scheme.

Changes to Flood Operations

The Inspector General Emergency Management (IGEM) undertook a review into the TC Marcia floods in the Callide Valley. This review found that SunWater had adequately undertaken its role in accordance with the established emergency action plans (EAPs). However the review also recommended that SunWater should notify the community about emerging dam spill events sooner. Later in 2015 IGEM undertook a second, related review into warnings provided by SEQWater and SunWater and noted that

“the public expects notifications and warnings will be disseminated as soon as possible when known by dam owners. They also expect messages will include timings to guide their actions, will convey the urgency of the developing situation, that regular updates will be provided and when the next update can be expected”.

SunWater has evaluated the activities and costs necessary to implement the IGEM recommendations for all its storages. SunWater has completed a plan and begun to implement the emergency management improvement program. These costs have not been included in scheme budgets in 2017 as SunWater intends consult further with its customers and other stakeholders about the program as part of the 2018 NSP consultation process.

Preventive Maintenance

Preventive maintenance is maintaining the ongoing operational performance and service capacity of physical assets to the required standard. Preventive maintenance is cyclical in nature with a typical interval of 12 months or less. Preventive maintenance activities are based on the updated work instructions developed for operating the scheme and include an estimate of the resources required to implement that scope of work. Preventive maintenance includes¹:

- Condition monitoring – the inspection, testing or measurement of physical assets to report and record its condition and performance for determination of maintenance requirements. Condition monitoring is carried out on electrical, mechanical and civil assets including pump stations (pumps, electrical motors, valves, switchboards and associated equipment), channels (regulator gates, civil works, signs, structures, etc.), drains (civil works, structures etc.), pipelines (valves, air valves, scours easements etc.), and other infrastructure;
- Servicing – planned maintenance activities normally expected to be carried out routinely on physical assets including valves, cranes, sump pumps and associated equipment; and
- Weed control – which includes the following activities:
 - Slashing channels and drains;
 - Acrolein treatment of channels;
 - Copper Sulphate treatment; and
 - Spraying and other activities to control operational and noxious weeds within dams, channel and drainage reserves and balancing storages and other land managed by SunWater

Preventive maintenance is budgeted under the QCA's target for 2017.

Corrective Maintenance

Corrective maintenance includes activities to correct unexpected failures or to return an asset to an acceptable level of performance or condition. While these are difficult to forecast with accuracy, history has shown that such events can be expected and need to be factored into expenditure forecasts. Forecasts include provision for labour, materials and plant hire.

The corrective maintenance forecast does not include any costs of damage arising from major unexpected events, such as floods. These costs are categorised as non-routine corrective maintenance which is discussed in the following section.

There are two types of corrective maintenance – scheduled and emergency¹:

- Scheduled corrective maintenance is maintenance that can be planned and scheduled, and includes:
 - Channels
 - De-silting channels and catch drains;
 - Erosion control and repair of rock protection works;
 - Repair fencing;
 - Repair concrete structures; and
 - Repair regulator gates, control valves, etc.
 - Drains
 - De-silting drains;

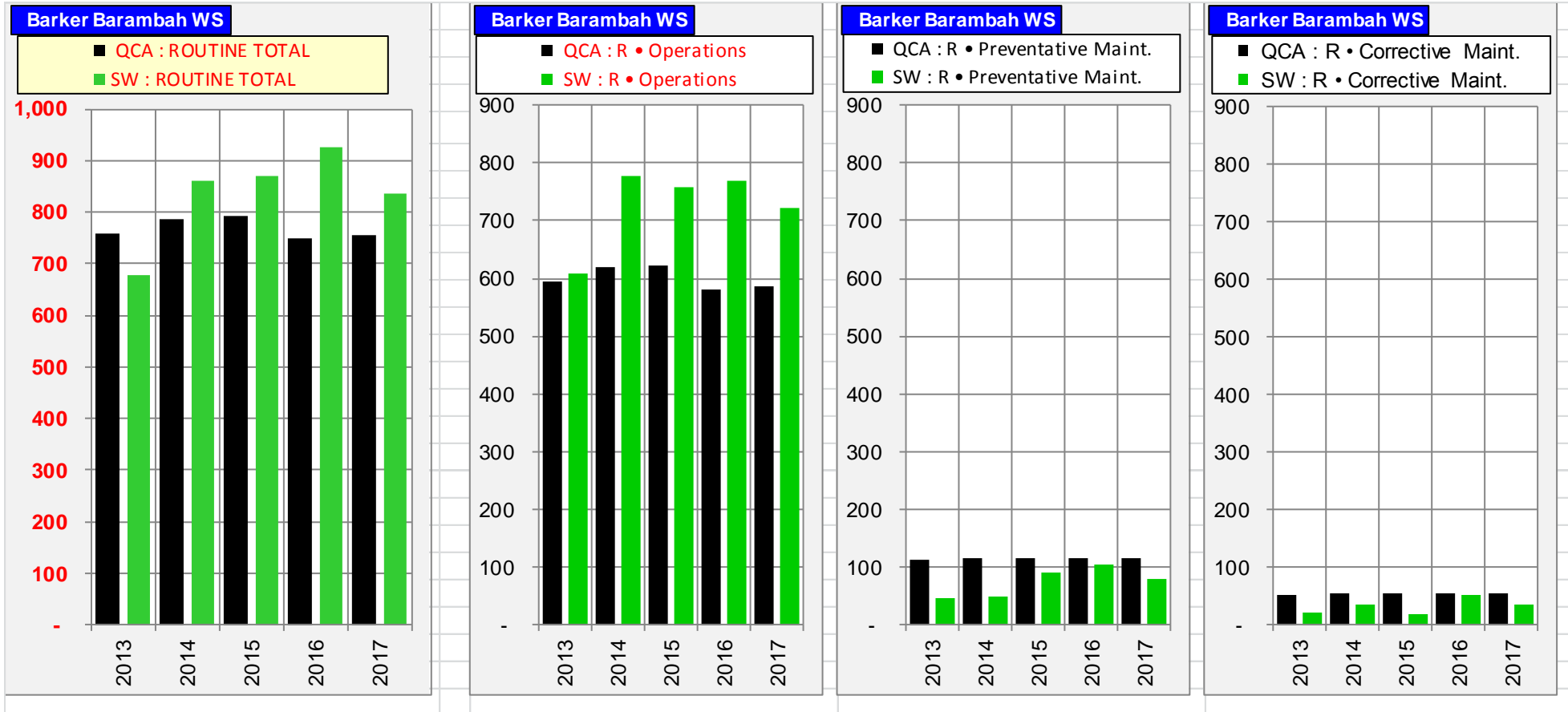
- Erosion control and repair of rock protection works;
 - Repair fencing; and
 - Repair concrete structures.
- Pipelines
 - Pipe breaks
 - Repair air valves, scour valves, etc.;
 - Erosion control and repair of rock protection works; and
 - Repair concrete structures.
- Scheme Roads
 - Repair pot holes;
 - Grade roads; and
 - Repair, replace and paint guide posts and signs.
- Pump stations
 - Repair pumps and motors;
 - De-silt intake structures;
 - Repair concrete structure; and
 - Repair control building.
- Storages (balancing storages and reservoirs)
 - Repair control gates and valves;
 - Repair walls, embankments and spillways; and
 - Repair concrete structures.
- Meters
 - Repair bulk water meters; and
 - Repair customer meters.
- Emergency corrective maintenance is maintenance that has to be carried out immediately to restore normal operation or supply to customers or to meet regulatory obligations (e.g. rectify a safety hazard) and includes:
 - Repair or correction of pump station faults;
 - Repair or correction of channel faults;
 - Repair or correction of pipeline faults; and
 - Response to theft or vandalism associated with scheme assets.

Corrective maintenance is budgeted under the QCA's target for 2017.

Routine Cost – Summary and Charts

The information in Table 4 above is re-presented in the charts below to graphically show SunWater’s performance against the QCA targets.

Figure 2: Routine Expenditure by Activity compared to QCA Target (\$'000)



Non-Routine Expenditure

SunWater has developed a whole of life strategy around the replacement and maintenance of its asset portfolio which is based on the concept of optimised life. The key drivers in this approach are the risk and condition of each asset. The current condition of an asset drives an estimate of the future work required to ensure an asset continues to be able to provide the required level of service into the future. SunWater maintains a program of asset inspections and condition assessments which continually updates our knowledge of asset condition. This information feeds into the annual review of the renewals program, the most recent of which was completed in February 2016; items requiring immediate maintenance or replacement are included in the budget for the following year.

While the immediate program for the next year's budget is well defined; the further into the planning timeline, the more uncertain the estimates become. Consequently, the program of works is not a specific forecast of when individual projects are expected to be executed but rather it is portfolio level estimate of works based on the best-available risk and condition information for the service contract as a whole. This information feeds into calculation of the annuity to fund renewals. Having an annuity funding arrangement acknowledges that a long-term view of renewals spend is required to ensure adequate funding and to address issues such as inter-generational equity.

The QCA targets were set against an indicative program of works from the 2010-11 year. While this was the best estimate of expected work at the time, in some cases, the QCA's funding allowance for renewals work across the price path does not cover the total expenditure required to maintain asset condition to the required standard. In addition, there have been unexpected events, such as floods, that were not allowed for in the QCA's annuity funding allowance.

SunWater is focusing effort on reviewing renewals profiles so that assets are maintained to the required standard with the minimum spend. This review extends to considering the key asset replacement assumptions so that the profile better reflects likely spend each year and moves away from assuming assets are replaced at end of standard life, based on their replacement costs. This is expected to reduce the renewals profile going forward, reducing upward pressure on water charges.

Non-Routine Budget

The budget non-routine spend for 2017 is shown in the table below, along with the actual spend for 2013, 2014, 2015 and the budget spend for 2016. There have been significant works in this service contract to repair flood damage which means that the QCA's 5-year target for 2013-17 will be exceeded. Flood repair works are unplanned and were not allowed for in the QCA's targets. Insurance proceeds for 2013 flood damage remain outstanding and will be credited to the service contract when the works are completed and the funds are received.

Table 5: Non-Routine Expenditure

Barker Barambah WS	2013			2014			2015			2016			2017				2013 to 2017			
	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Forecast \$000	QCA Target \$000	Variance \$000	SW Budget \$000	QCA Target \$000	Variance \$000	% of target	SW Forecast \$000	QCA Target \$000	Variance \$000	% of target
Annuity Funded																				
Operations	15	-	(15)	2	-	(2)	5	-	(5)	107	-	(107)	20	-	(20)	-	150	-	(150)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	64	-	(64)	482	-	(482)	121	-	(121)	-	-	-	-	-	-	-	667	-	(667)	-
R&E	41	38	(2)	131	169	37	51	6	(45)	53	27	(26)	243	105	(138)	232	519	345	(174)	150
Non-routine Total	120	38	(82)	615	169	(447)	176	6	(170)	160	27	(133)	263	105	(158)	251	1,335	345	(990)	387
Non Annuity Funded	-			5			8			-			-				13			

The details for the six major projects planned for 2017 are provided below:

Table 6: Non-Routine Projects 2017

Project Title	Project Scope	2017 Budget (\$'000)
Study Dam Safety Hydrology and Dam Break Review - BJELKE PETERSEN DAM	The understanding of hydrology and dam break analysis is an essential input into the assessment of dam safety risks. The scheme hydrology has not been reviewed since 2004. The aim of this project is to update the data sets used in the scheme hydrology and utilise technology improvements in modelling to ensure that the population at risk for an unlikely dam failure have been correctly identified and risks to the community managed.	100
Refurbish Valve - corrosion, seals - BJELKE PETERSEN DAM	The aim of this project is to refurbish Bjelke-Petersen Dam Guard Valve 2. The guard valves were inspected as part of the 2013 comprehensive inspection. Guard Valve 2 was found to have some considerable amount of corrosion including some more significant corrosion of the rim.	57
Replace Meter Program - BARKER BARAMBAH REGULATED STREAMS	River meters are a run to failure asset. This project is annual program to fund 2 meter replacements on the Barker Barambah during the 2016/17 Financial Year.	18
Install handrail and steps to provide safe access to outlet platform – SILVERLEAF WEIR	The current stairway to the outlet platform at Silverleaf Weir is currently unsatisfactory from a WHS standard and the Australian Standards due to there being no handrails. This project is to install handrails on the stairway to bring it up to Australian Standards.	16
Study: WEIR PROGRAM - 5yr Dam Comprehensive Inspection – JOE SIPPEL WEIR	Undertake a 5 Yearly Inspection on the Weir, consistent with dam safety best practices to ensure the structural and operational integrity at the Weir is maintained and documented.	15
Study: WEIR PROGRAM - 5yr Dam Comprehensive Inspection – SILVERLEAF WEIR	Undertake a 5 Yearly Inspection on the Weir, consistent with dam safety best practices to ensure the structural and operational integrity at the Weir is maintained and documented.	14
Other works	There are 7 other non-routine projects for 2017 ranging from \$3,000 to \$9,000. Further detail was tabled at the IAC meeting.	44
Total		263

Annuity Balance

The estimated 2016 and 2017 annuity balances are shown below; the annuity contribution shown has been set by the QCA. SunWater aims to limit the annuity spend to the QCA's targets over the 5-year price path in order to manage the annuity balance to reasonable levels.

The impacts of budgeted non-routine spend on the annuity balance for 2017 is shown in the following table. Note that insurance proceeds for 2013 flood damage remain outstanding and will be credited to the service contract when the works are completed and the funds are received.

Table 7: Annuity Balance

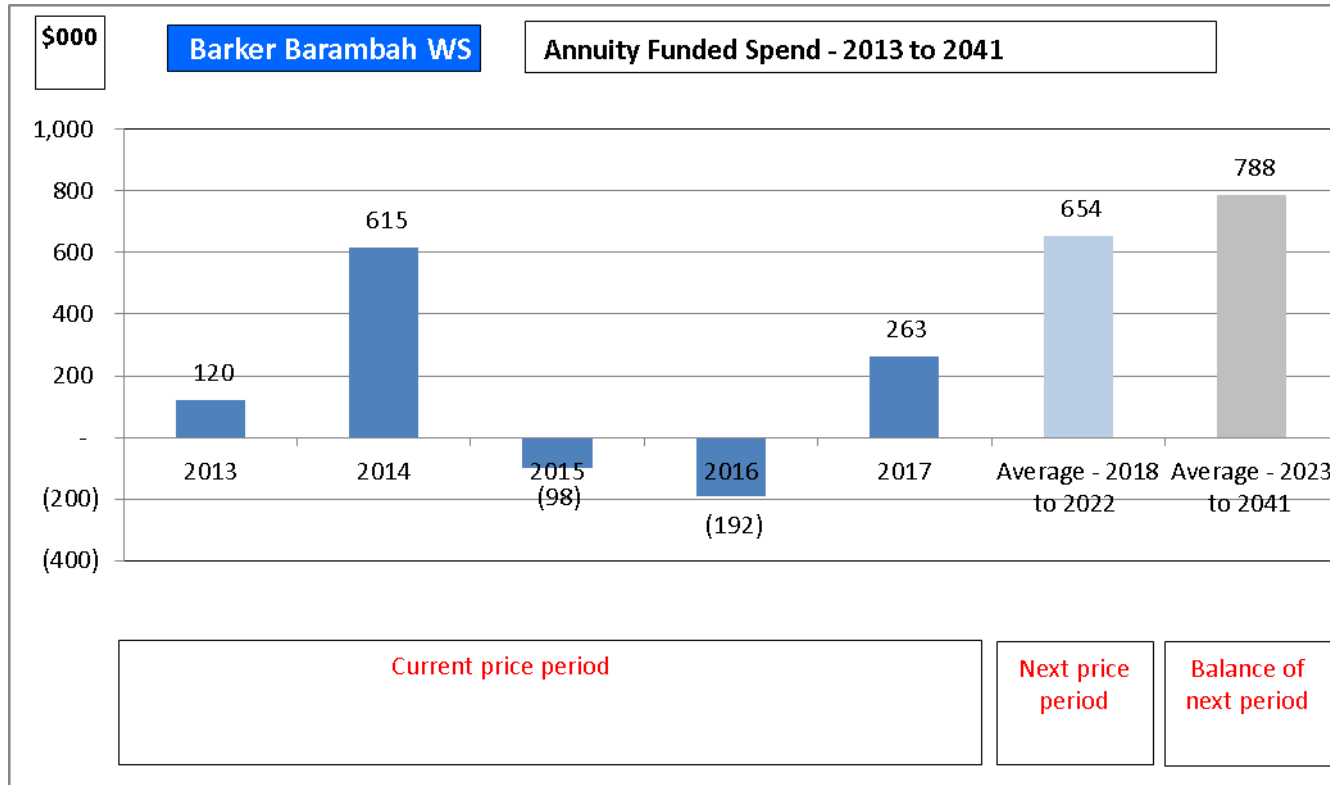
Barker Barambah WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
Annuity							
Opening Balance		(1,270)	(1,254)	(1,734)	(1,528)	(1,210)	(1,270)
Net Spend	See below	(120)	(615)	98	192	(263)	(709)
Annuity Contribution		231	230	238	240	246	1,185
Interest		(95)	(94)	(130)	(114)	(91)	(524)
SunWater - Closing Balance		(1,254)	(1,734)	(1,528)	(1,210)	(1,318)	(1,318)
QCA - Closing Balance		(1,069)	(1,088)	(937)	(794)	(712)	(712)
Difference		(185)	(646)	(591)	(416)	(606)	(606)
Net Spend Analysis							
Spend	5 & 7	(120)	(615)	(176)	(160)	(263)	(1,335)
Insurance Proceeds Receipts							
• Prior Year		-	-	88	-	-	88
• Current Year		-	-	186	352	-	538
Net Spend		(120)	(615)	98	192	(263)	(709)

* All 2016 and 2017 figures are subject to change once actual spend is known.

Overview of Annuity Funded Non-Routine Projects 2013-41

The renewals annuity is calculated over a 20-year planning period; given that the following pricing period ends in 2022, the estimated renewals spend out until 2041 will affect the next pricing review. The estimated renewals expenditure out to 2041 is shown in the chart following.

Figure 3: Annuity Expenditure 2013-41



All material renewals items out until 2041 are discussed in the sections following. Materiality is defined as >10% of the present value of the period in question. SunWater will develop options analyses for all material items in the annuity calculation planning period. These reports will be tailored to suit project complexity and budget, with detailed options analyses being completed within the current and following 5-year pricing periods and high-level options analyses for the 20-year period beyond the next price path. The materiality tests will be applied each year as part of annual planning process. Given that there will be project variations, some items will no longer require options analysis in future years and new items may join the list.

Material Projects 2017-18

The evenness in the spread of estimated project costs and/or spend that has already occurred over 2013-16 means there are no projects which exceed the materiality threshold for this service contract for the 2017-18 period.

Material Projects 2019-23

Projects in the program of works for 2019-23 should be viewed as indicative at this stage and will be refined as the next pricing review draws closer.

WHS: Manufacture and install new inlet structure from design in 2009 – SILVERLEAF WEIR

Year: 2020

Current Estimate: \$368k

Option analysis completed: No

The current design of Silverleaf Weir does not allow for the outlet gate to be isolated for refurbishment. A new inlet/outlet combination has been designed and will need to be constructed as the current outlet gate is leaking and very close to end of life. An options analysis is required to determine if the new design is the most effective option.

Replace Pneumatic Piezometers (Installation Part 1) – BJELKE PETERSEN DAM

Year: 2022

Current Estimate: \$438k

Option analysis completed: No

The bank Pneumatic Piezometers at Bjelke-Petersen are slowly failing. An options analysis will be required closer to the time of the project to determine the most prudent and efficient way forward. Further information will be provided when available and will be tabled in the relevant NSP report.

Replace Total Pressure Cells (Installation Part 1) - BJELKE PETERSEN DAM

Year: 2022

Current Estimate: \$438k

Option analysis completed: No

The Total Pressure Cells at Bjelke-Petersen are slowly becoming less reliable. An options analysis will be required closer to the time of the project to determine the most prudent and efficient way forward. Further information will be provided when available and will be tabled in the relevant NSP report.

Material Projects 2024-41

The evenness in the spread of estimated project costs means there are no projects which exceed the materiality threshold for this service contract for the 2023-41 period.

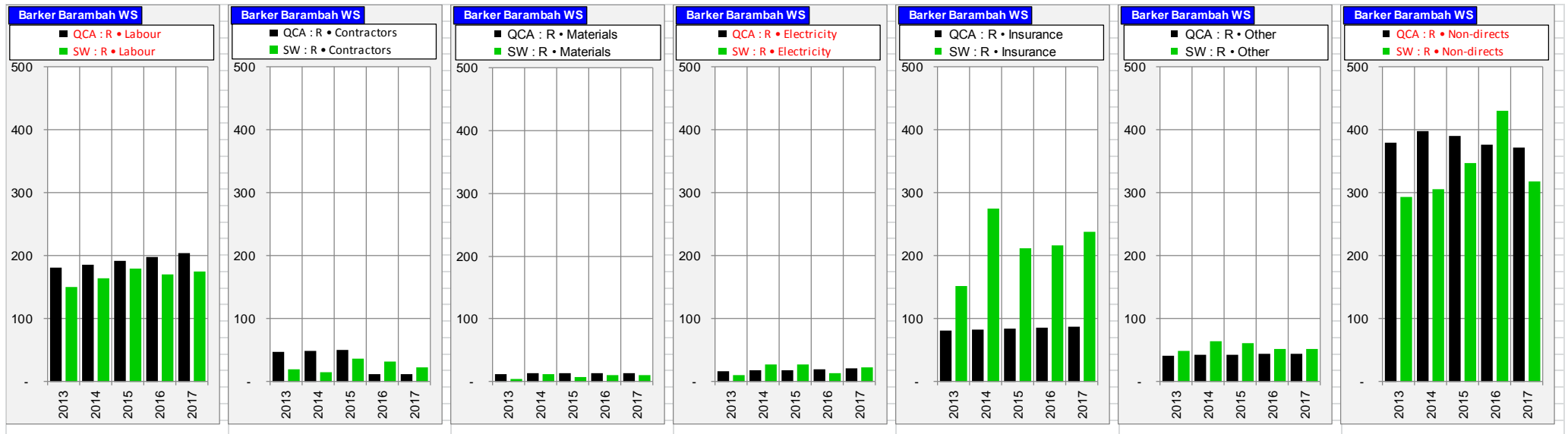
Appendix 1: Total Expenditure by Expense Type

Table 8: Expenditure for Activity by Type

Barker Barambah WS	2013			2014			2015			2016			2017			2013 to 2017		
	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Actual \$000	QCA Target \$000	Variance \$000	SW Forecast \$000	QCA Target \$000	Variance \$000	SW Budget \$000	QCA Target \$000	Variance \$000	SW Forecast \$000	QCA Target \$000	Variance \$000
Revenue	917			1,023			1,217			1,369			1,078			5,604		
Routine Spend																		
Operations																		
Labour	128	133	5	138	137	(1)	145	142	(4)	133	146	13	140	151	11	684	708	25
Contractors	18	42	24	13	43	30	33	45	12	14	6	(8)	10	6	(4)	87	142	54
Materials	1	3	2	3	3	1	1	3	3	6	3	(3)	5	3	(2)	15	16	1
Electricity	10	16	6	28	17	(10)	27	18	(8)	13	20	7	22	21	(1)	99	93	(6)
Insurance	152	82	(71)	275	83	(192)	212	84	(128)	217	86	(131)	238	87	(150)	1,094	422	(672)
Other	48	38	(10)	61	39	(22)	59	39	(19)	50	40	(10)	50	41	(9)	267	197	(70)
Non-directs	251	282	31	261	296	35	283	291	8	337	280	(56)	257	277	20	1,389	1,427	38
	608	596	(12)	778	619	(160)	759	623	(136)	768	581	(187)	721	586	(135)	3,635	3,005	(630)
Preventative Maintenance																		
Labour	16	34	18	16	35	19	30	36	6	26	38	12	25	39	14	113	182	69
Contractors	0	2	2	1	2	1	2	2	0	15	2	(13)	10	2	(8)	28	11	(17)
Materials	1	4	3	1	4	3	1	4	3	-	5	5	-	5	5	3	22	19
Other	0	2	2	3	2	(1)	1	2	0	1	2	1	1	2	1	6	9	4
Non-directs	29	69	40	28	72	44	56	71	16	63	69	6	44	68	24	219	349	130
	46	111	65	49	116	66	90	116	26	104	115	11	79	115	36	369	573	204
Corrective Maintenance																		
Labour	6	14	7	9	14	5	4	14	10	13	15	2	10	15	6	42	72	30
Contractors	1	3	2	-	3	3	1	3	2	2	3	1	2	3	1	7	16	9
Materials	2	5	3	8	5	(3)	5	5	0	5	6	1	5	6	1	25	27	2
Other	-	2	2	0	2	2	1	2	1	2	2	0	2	2	0	4	9	5
Non-directs	13	28	15	16	29	13	8	29	20	31	28	(4)	18	27	10	86	140	54
	22	51	29	34	53	20	20	53	34	53	53	1	36	54	18	164	265	101
Routine - total	676	758	82	861	788	(74)	869	793	(76)	925	750	(176)	836	755	(81)	4,168	3,843	(325)
Non-Routine Spend																		
Labour	28	6	(22)	41	22	(19)	64	1	(63)	20	5	(15)	35	18	(17)	188	52	(137)
Contractors	21	7	(15)	467	53	(414)	(17)	1	18	67	5	(62)	153	19	(134)	692	84	(608)
Materials	18	7	(12)	0	24	23	0	1	1	20	5	(15)	2	19	17	41	55	14
Other	1	4	3	6	11	5	12	1	(12)	-	3	3	3	10	7	23	28	6
Non-directs	51	15	(36)	100	59	(42)	116	2	(114)	53	10	(43)	69	38	(31)	390	125	(265)
Non-Routine - Total	120	38	(82)	615	169	(447)	176	6	(170)	160	27	(133)	263	105	(158)	1,335	345	(990)
Total Regulated Spend	796	797	0	1,476	956	(520)	1,045	798	(247)	1,085	777	(309)	1,100	860	(239)	5,503	4,188	(1,315)
Non Annuity Funded Spend	-	-	-	5	-	-	8	-	-	-	-	-	-	-	-	13	-	-
Surplus (Deficit)	121	-	-	(459)	-	-	164	-	-	283	-	-	(21)	-	-	87	-	-

The charts below graphically report routine costs by expense type compared to the QCA target.

Figure 4: Routine Expenditure by Expense Type (\$'000)



Notes

All financial figures in this report are presented in nominal dollars.

Although the QCA set cost targets based on assumed inflation of 2.5%, most of the financial figures in the QCA's final report on SunWater's irrigation prices were presented in real dollars (\$2011). To convert the QCA reported real dollars to nominal dollars multiply by the conversion factors listed below. The conversion factors are based on the QCA's assumed inflation rate of 2.5% p.a. For comparison, the QCA conversion factors based on assumed inflation of 2.5% are compared with conversion factors based on actual inflation as measured by the Brisbane All Groups Consumer Price Index taken in March each year.

Table 9: Conversion Factors for real \$2011 to Nominal Dollars

	2013	2014	2015	2016	2017
QCA Conversion Factor	1.0510	1.0770	1.1040	1.1310	1.1600
Accumulative March Quarter CPI	1.0494	1.0714	1.1050	1.1208	1.1397

Disclaimer

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