SunWater Limited
Level 10, 179 Turbot Street
PO Box 15336 City East
Brisbane Queensland 4002
www.sunwater.com.au
ACN 131 034 985

2016/17 Annual Network Service Plan

Boyne Bulk Water

July 2016

Table of Contents

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

Financial Summary

Table 1: Operating Revenue Less Spend

Boyne WS		2013	2014	2015	2016	2017
	Table reference	Actual $000	Actual $000	Actual $000	Forecast $000	Budget $000
Revenue	3	1,112	1,797	3,213	1,727	20,878
Less - Routine Expenditure	4 & 7	1,107	159	644	499	520
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	1,938	1,676	3,425	1,212	26,461
• Non Annuity Funded	5	-	-	3	-	-
Surplus (Deficit)		(1,933)	(38)	(859)	16	(6,102)

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

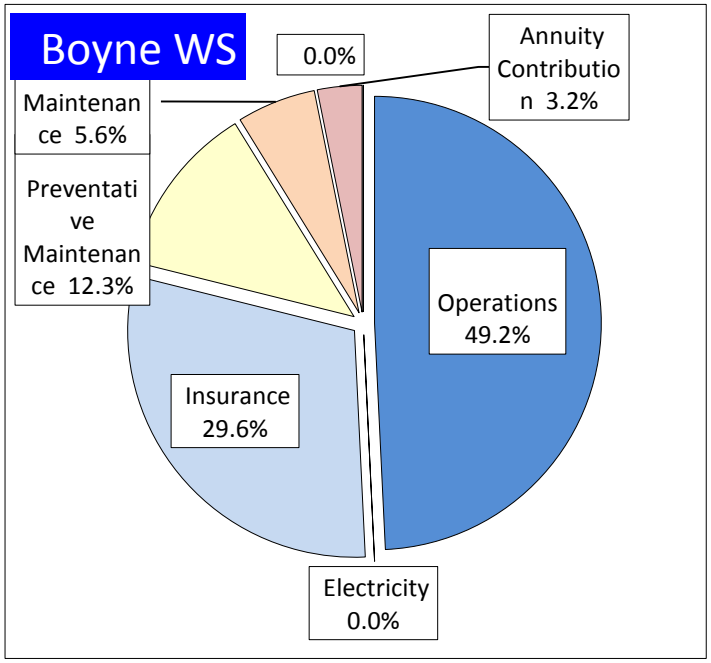


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item "Annuity Contribution" refers to the annualised renewals annuity component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

Water Data

Table 2: Water Data

Scheme	Customer Segment	No. of Customers	Water Entitlements (ML)	High Water Priority (ML)	Medium Water Priority (ML)
Boyne River and Tarong	1. Industrial		30,453	29,910	543
	2. Irrigation		9,142	0	9,142
	3. Urban		1,825	1,825	0
	4. Other		480	480	0
	5. SunWater		1,625	1,625	0
	Total	167	43,525	33,840	9,685

QCA Assumed Water Usage 53.9%

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 10% and High Priority 90% 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.

Revenue

Table 3: Revenue

Boyne WS	2013 Actual $000	2014 Actual $000	2015 Actual $000	2016 Forecast $000	2017 Budget $000
Irrigation	359	374	408	245	251
Industrial	27	13	15	13	20
Urban	52	53	54	54	-
Irrigation CSO	-	-	-	-	-
Revenue Transfers	661	1,351	2,377	1,283	20,593
Drainage	-	-	-	-	-
Other	14	7	4	14	14
Insurance Proceeds - Flood	-	-	355	118	-
Revenue Total	1,112	1,797	3,213	1,727	20,878

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.

Revenue Transfers represent the cost of bulk water supplies delivered through the distribution system(s). The revenue accrues to the distribution system before it is transferred to the Bulk Water Supply Scheme as a contribution to the cost of the bulk water service. The QCA established the transfer cost for irrigation supplies at the cost reflective bulk water tariff.

Routine Expenditure

Table 4: Routine Operating Expenditure

Boyne 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	929	214	(715)	(77)	224	301	454	223	(230)	187	222	35	265	225	(40)	118	1,757	1,108	(649)	159
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	136	55	(81)	198	56	(142)	121	57	(64)	145	58	(88)	159	59	(101)	271	759	284	(475)	267
Operations Total	1,065	269	(796)	121	280	159	574	280	(294)	332	279	(53)	424	283	(140)	150	2,516	1,392	(1,124)	181
Preventative Maintenance	30	94	65	38	98	60	64	99	34	103	98	(6)	66	98	32	68	301	487	186	62
Corrective Maintenance	12	24	12	-	25	25	5	26	20	64	26	(38)	30	26	(4)	117	112	126	15	88
Routine Total	1,107	388	(719)	159	404	245	644	404	(240)	499	403	(97)	520	407	(113)	128	2,929	2,006	(923)	146

The budget routine spend is 28% above the QCA's target for 2017 however the budget falls to 103% of target when the above-QCA increases in insurance is taken into account.

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 of[1]:

- 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.

The operations budget in 2017 is 50% above the QCA target, however this is largely due to the increases in insurance costs. Increased premiums followed flood events that have occurred in the past few years in Queensland. The budget for operations drops to 115% of the QCA target when the insurance over-runs are taken into account.

[1] Activities listed will not apply to all service contracts.

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 includes[1]:

- 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 within the QCA's target.

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 emergency[1]:

- 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

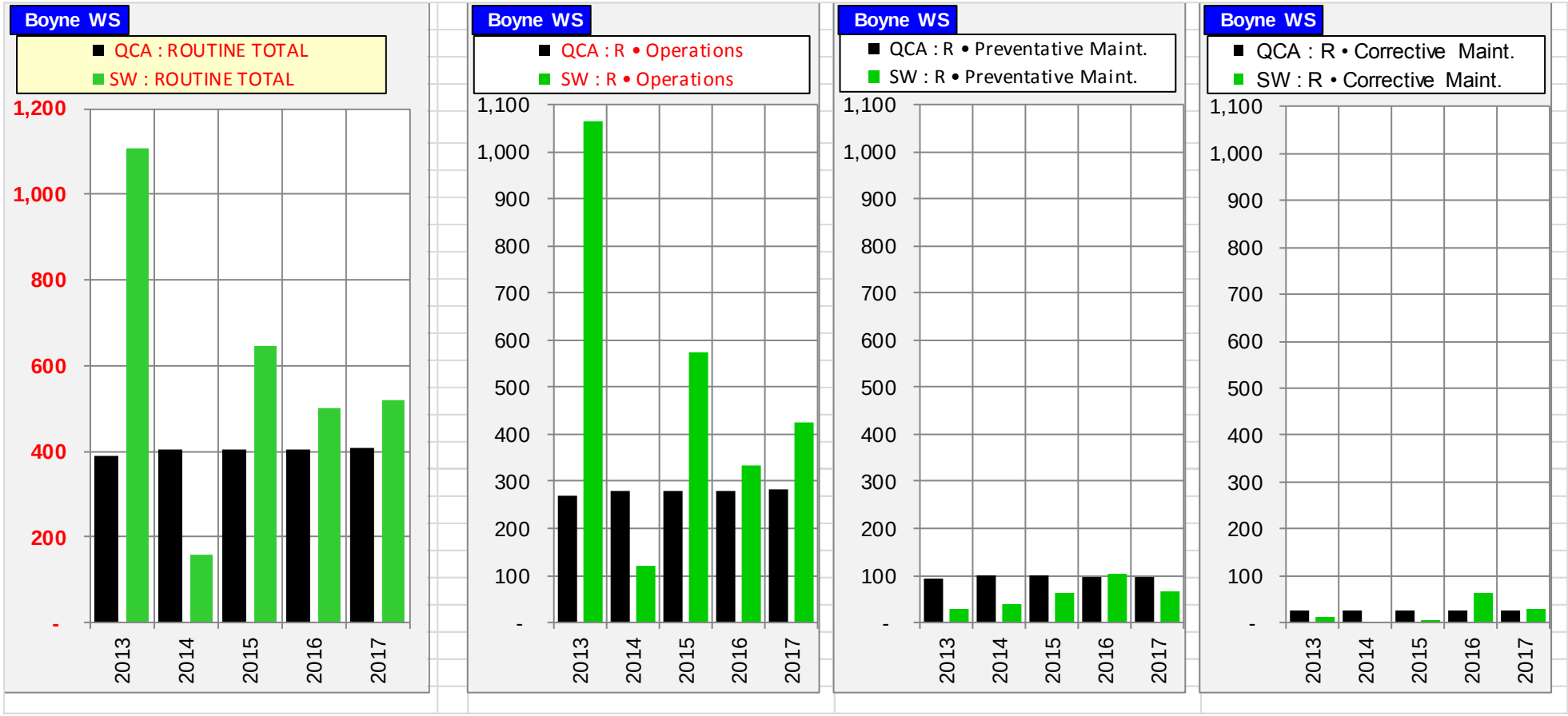
        - Repair control building.
    - Storages (balancing storages and reservoirs)
        - Repair control gates and valves;
        - Repair walls, embankments and spillways; and
        - Repair concrete structures.
    - Meters
        - Repair bulk water meters; and
        - Repair customer meters.
- 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 $5k above the QCA's target for 2017. SunWater will continue to refine budgets with the aim of bringing the overall expenditure into line with target.

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.

Table 5: Non-Routine Expenditure

Boyne 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	20	-	(20)	-	-	-	-	-	-	-	-	-	11	-	(11)	-	31	-	(31)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	1,888	-	(1,888)	1,506	-	(1,506)	3,395	-	(3,395)	1,153	-	(1,153)	26,266	-	(26,266)	-	34,207	-	(34,207)	-
R&E	30	28	(3)	171	185	14	31	112	81	59	9	(50)	184	225	41	82	475	558	83	85
Non-routine Total	1,938	28	(1,910)	1,676	185	(1,492)	3,425	112	(3,313)	1,212	9	(1,203)	26,461	225	(26,236)	- - -	34,712	558	(34,154)	- - -
Non Annuity Funded	-			-			3			-			-				3			

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

Table 6: Non-Routine Projects 2017

Project Title	Project Scope	2017 Budget ($'000)
Boondooma Spillway Flood Damage Repairs – BOONDOOMA DAM	Boondooma Dam Spillway was heavily damaged during the 2011 and 2013 flood events. Approval for the final design for the repairs has been given. The final design consists of strengthening the existing spillway, installing defensive anchors and capping weak seams in the spillway unlined floor, installing a secondary erosion control structure and concrete side walls and re-profiling the right cutting above the plunge pool. The design intent is to eventually build a new spillway chute when the remaining unlined spillway floor strategically fails over time.	26266
Investigate and Implement Options for Safely Opening/Closing Decking Grating – BOONDOOMA DAM	The floor decking on the intake tower is hinged and opened for the use of the main bulkhead. Its current design is very susceptible to damage during wind and is also considered a WHS risk for operator and maintenance personnel. This project is to redesign the floor grating into a more reinforced option that is more rigid and safe in the wind.	84
Replace Cone Valve Indicators - BOONDOOMA DAM	In order to manage and measure releases from the storage the regulator valves have an open percentage indicator to help with calculating the release rate. The current setup at Boondooma Dam has failed and cannot be repaired. This project is to install a new system.	43
Repair pitting on dissipater walls - – BOONDOOMA DAM	The outlet works at Boondooma Dam currently end at a pair of regulating valves in the valve house dissipator chambers. The dissipator chambers dissipate the regulator valve outlet water velocities. There is currently some scouring of the concrete walls where the main force of the water jets impact, which is encroaching on the structures reinforcement thereby becoming a structural issue. This project is to repair the pitting via application of an epoxy grout.	25
Replace Meter Program - BOYNE RIVER METERED OFFTAKES	Some meters have been assessed as being in an unacceptable condition. They require replacement to maintain the accuracy of meter reads in accordance with legislation and the Australian Standard 4747.	20
Other works	There are another 5 non-routine projects for 2017 ranging from $3,000 to $7,000. Further detail was tabled at the IAC meeting.	22
Total		26461

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.

Table 7: Annuity Balance

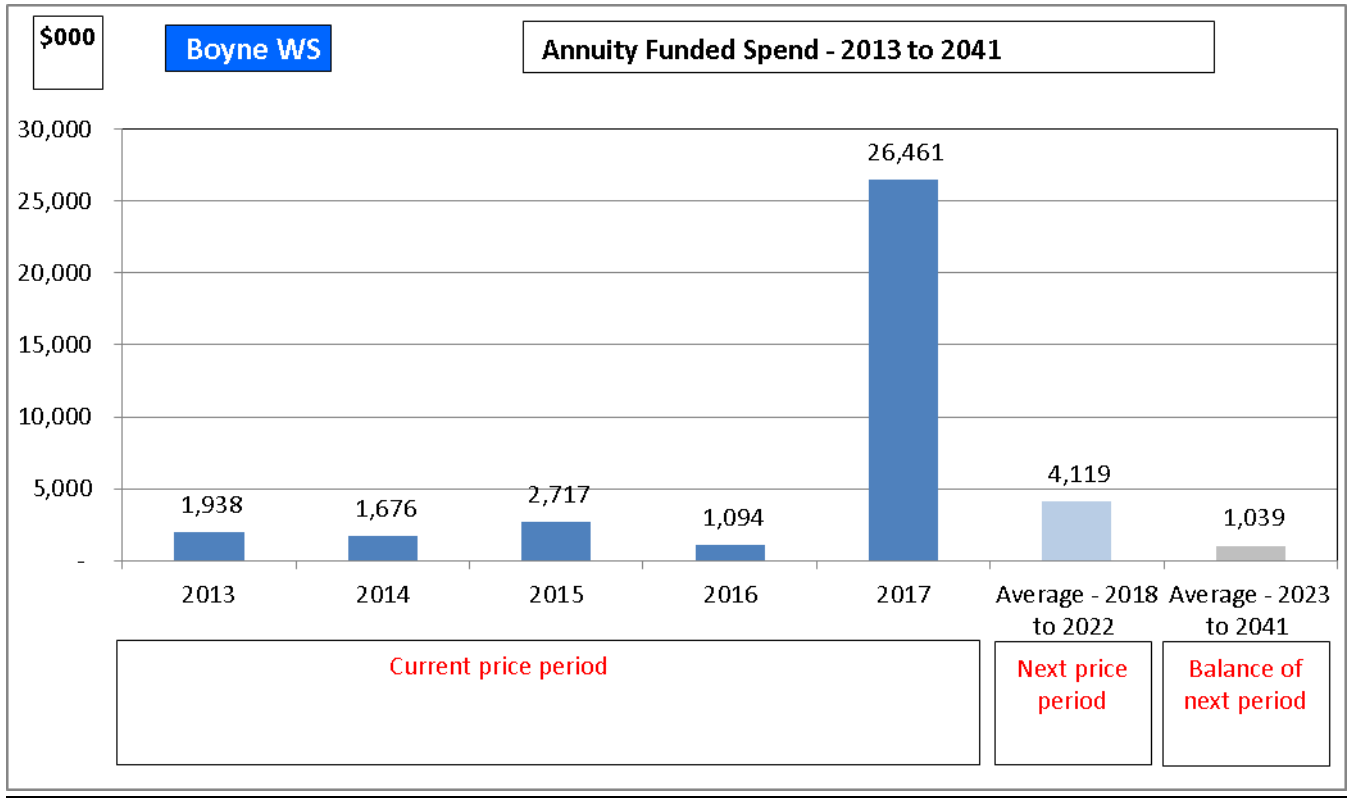
Boyne WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual $000	Actual $000	Actual $000	Forecast $000	Budget $000	Forecast $000
Annuity							
Opening Balance		(170)	(2,108)	(3,929)	(6,924)	(8,519)	(170)
Net Spend	See below	(1,938)	(1,676)	(2,717)	(1,094)	(26,461)	(33,886)
Annuity Contribution		13	13	17	17	17	77
Interest		(13)	(158)	(294)	(519)	(638)	(1,622)
SunWater - Closing Balance		(2,108)	(3,929)	(6,924)	(8,519)	(35,601)	(35,601)
QCA - Closing Balance		1,140	1,053	1,037	1,123	999	999
Difference		(3,248)	(4,983)	(7,961)	(9,642)	(36,600)	(36,600)
Net Spend Analysis							
Spend	5 & 7	(1,938)	(1,676)	(3,425)	(1,212)	(26,461)	(34,712)
Insurance Proceeds Receipts							
• Prior Year		-	-	353	-	-	353
• Current Year		-	-	355	118	-	473
Net Spend		(1,938)	(1,676)	(2,717)	(1,094)	(26,461)	(33,886)

* 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

Boondooma Spillway Flood Damage Repairs - BOONDOOMA DAM

Year: 2017-18
Current estimate: $41.87m
Options analysis completed: No

Boondooma Dam Spillway was heavily damaged during the 2011 and 2013 flood events. Approval has been given on the projects final design. The final design consists of strengthening the existing spillway, installing defensive anchors and capping weak seams in the spillway unlined floor, installing a secondary erosion control structure and concrete side walls and re-profiling the right cutting above the plunge pool. The design intent is to eventually build a new spillway chute when the remaining unlined spillway floor strategically fails over time.

Material Projects 2019-23

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 2019-23 period.

Material Projects 2024-41

The program of works for 2024-41 should be viewed as indicative at this stage and will be refined as the next pricing review draws closer.

Refurbish Unlined Spillway Floor - BOONDOOMA DAM

Year: 2023/28
Current estimate: $2,870k
Options analysis completed: No

This project is to maintain the unlined spillway floor in conjunction with the 2017-18 project for Boondooma Spillway Flood Damage Repairs. It was found as part of the options analysis for the spillway repairs that the final design would require repairs to the unlined spillway floor every 5 years to maintain its life for a maximum expectancy in an overall plan to eventually replace the unlined spillway floor with a mass concrete spillway flip and dissipator section when required.

Appendix 1: Total Expenditure by Expense Type

Table 8: Expenditure for Activity by Type

Boyne 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	1,112			1,797			3,213			1,727			20,878			28,728		
Routine Spend																		
Operations																		
Labour	118	62	(56)	77	64	(13)	82	66	(16)	41	68	27	80	70	(10)	398	330	(67)
Contractors	3	3	(0)	211	3	(208)	(83)	3	87	22	3	(18)	22	3	(18)	175	16	(158)
Materials	3	2	(1)	3	2	(1)	2	2	1	-	2	2	-	2	2	7	11	3
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	136	55	(81)	198	56	(142)	121	57	(64)	145	58	(88)	159	59	(101)	759	284	(475)
Other	557	11	(546)	(504)	11	515	286	11	(274)	15	12	(3)	15	12	(3)	369	57	(311)
Non-directs	249	136	(112)	135	144	8	168	141	(27)	109	136	27	148	137	(11)	809	694	(115)
	1,065	269	(796)	121	280	159	574	280	(294)	332	279	(53)	424	283	(140)	2,516	1,392	(1,124)
Preventative Maintenance																		
Labour	10	29	18	13	29	16	22	30	9	17	31	15	16	32	16	78	152	74
Contractors	-	1	1	-	1	1	2	1	(1)	43	1	(42)	20	1	(19)	65	5	(60)
Materials	1	3	2	0	3	3	0	3	3	1	3	3	1	3	3	3	16	13
Other	0	2	2	1	2	1	0	2	2	-	3	3	-	3	3	2	12	10
Non-directs	18	60	42	23	62	40	40	62	21	43	59	17	29	59	29	153	302	149
	30	94	65	38	98	60	64	99	34	103	98	(6)	66	98	32	301	487	186
Corrective Maintenance																		
Labour	3	5	2	-	6	6	1	6	5	18	6	(12)	10	6	(4)	31	29	(2)
Contractors	2	1	(1)	-	1	1	1	1	0	3	1	(2)	3	1	(2)	10	6	(4)
Materials	1	5	4	-	5	5	-	5	5	-	5	5	-	6	6	1	26	25
Other	-	1	1	-	1	1	2	1	(1)	-	1	1	-	1	1	2	5	3
Non-directs	6	12	5	-	12	12	2	12	11	43	12	(31)	17	12	(5)	68	59	(8)
	12	24	12	-	25	25	5	26	20	64	26	(38)	30	26	(4)	112	126	15
Routine - total	1,107	388	(719)	159	404	245	644	404	(240)	499	403	(97)	520	407	(113)	2,929	2,006	(923)
Non-Routine Spend																		
Labour	466	5	(461)	328	27	(301)	704	3	(701)	46	1	(45)	1,092	23	(1,069)	2,636	59	(2,577)
Contractors	315	-	(315)	437	34	(403)	952	-	(952)	1,003	2	(1,002)	23,465	20	(23,445)	26,173	56	(26,117)
Materials	30	9	(21)	104	28	(76)	12	94	82	-	2	2	6	20	14	152	152	(0)
Other	161	1	(160)	192	26	(166)	386	2	(385)	-	1	1	-	11	11	740	41	(699)
Non-directs	966	13	(953)	616	70	(546)	1,370	13	(1,356)	162	3	(159)	1,898	151	(1,747)	5,012	250	(4,762)
Non-Routine - Total	1,938	28	(1,910)	1,676	185	(1,492)	3,425	112	(3,313)	1,212	9	(1,203)	26,461	225	(26,236)	34,712	558	(34,154)
Total Regulated Spend	3,045	416	(2,629)	1,835	588	(1,247)	4,069	516	(3,553)	1,711	411	(1,300)	26,981	632	(26,349)	37,641	2,564	(35,077)
Non Annuity Funded Spend	-			-			3			-			-			3		
Surplus (Deficit)	(1,933)			(38)			(859)			16			(6,102)			(8,916)		

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

This report has been produced by SunWater, to provide information for client use only. The information contained in this report is limited by the scope and the purpose of the study, and should not be regarded as completely exhaustive. Permission to use or quote information from this report in studies external to the Corporation must first be obtained from the Chief Executive, SunWater.