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# 2016/17 Annual Network Service Plan

## Dawson Bulk Water

July 2016

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## 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](mailto:nspfeedback@sunwater.com.au)

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

# Financial Summary

**Table 1: Operating Revenue Less Spend**

Dawson WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	2,124	3,003	3,298	3,403	3,566
Less - Routine Expenditure	4 & 7	858	814	590	1,115	890
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	49	311	298	491	672
• Non Annuity Funded	5	-	4	3	-	-
Surplus (Deficit)		1,217	1,874	2,407	1,797	2,004

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**

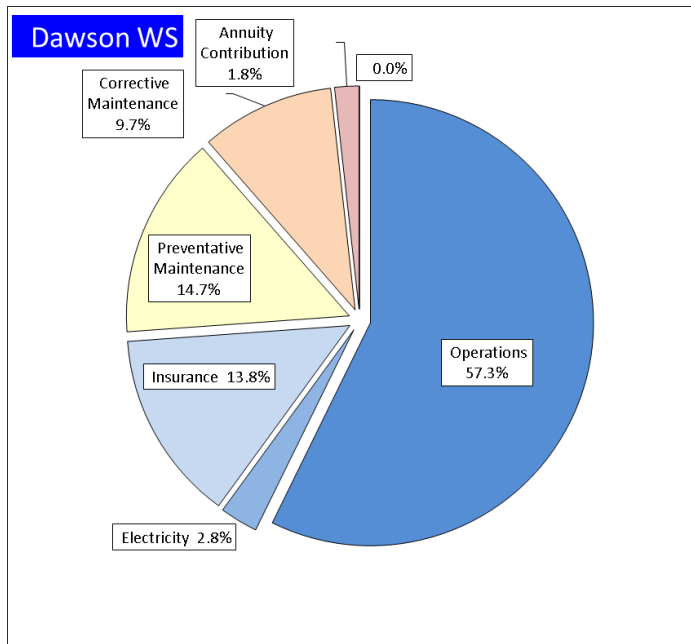


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component 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-A Water Priority (ML)	Medium Water Priority (ML)
Dawson Valley	1. Industrial		3,718	2,868	0	850
	2. Irrigation		51,668	183	15,871	35,614
	3. Urban		2,283	2,028	0	255
	5. SunWater		4,068	600	3,468	0
	Total	186	61,737	5,679	19,339	36,719

QCA Assumed Water Usage

70.7%

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

The QCA established the Headworks Utilization Factor (HUF) for this scheme at Medium Priority 46%, Medium A Priority 24% and High Priority 30% 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](http://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**

Dawson WS	2013	2014	2015	2016	2017
	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Irrigation	214	760	528	849	994
Industrial	1,203	1,497	1,663	1,681	1,749
Urban	441	485	561	556	589
Irrigation CSO	1	-	-	-	-
Revenue Transfers	259	220	216	224	229
Drainage	-	-	-	-	-
Other	7	41	7	5	5
Insurance Proceeds - Flood	-	-	323	89	-
Revenue Total	2,124	3,003	3,298	3,403	3,566

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**

Dawson 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	556	601	46	461	626	166	307	627	320	659	621	(38)	519	626	107	83	2,501	3,102	600	81
Electricity	15	34	19	25	36	11	48	39	(10)	22	42	20	25	45	20	56	135	195	59	70
Insurance	91	48	(43)	164	49	(115)	111	50	(61)	114	51	(64)	125	52	(74)	242	607	251	(356)	242
Operations Total	662	683	21	650	712	62	467	716	249	796	714	(82)	669	723	53	93	3,243	3,547	304	91
Preventative Maintenance	135	198	63	95	206	111	109	206	97	188	205	17	133	206	73	65	660	1,021	360	65
Corrective Maintenance	60	91	30	70	94	24	14	95	81	131	94	(37)	88	95	7	93	362	468	106	77
Routine Total	858	972	114	814	1,012	198	590	1,017	427	1,115	1,013	(102)	890	1,023	133	87	4,266	5,036	770	85

The budget routine spend is within 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 of<sup>1</sup>:

- 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.

<sup>1</sup> Activities listed will not apply to all service contracts.

The operations budget in 2017 is under the QCA target, despite increases in insurance costs being higher than allowed for by the QCA. Increased premiums followed flood events that have occurred in the past few years in Queensland.

## 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<sup>1</sup>:

- 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 emergency<sup>2</sup>:

- 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;

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<sup>2</sup> Activities listed will not apply to all service contracts.

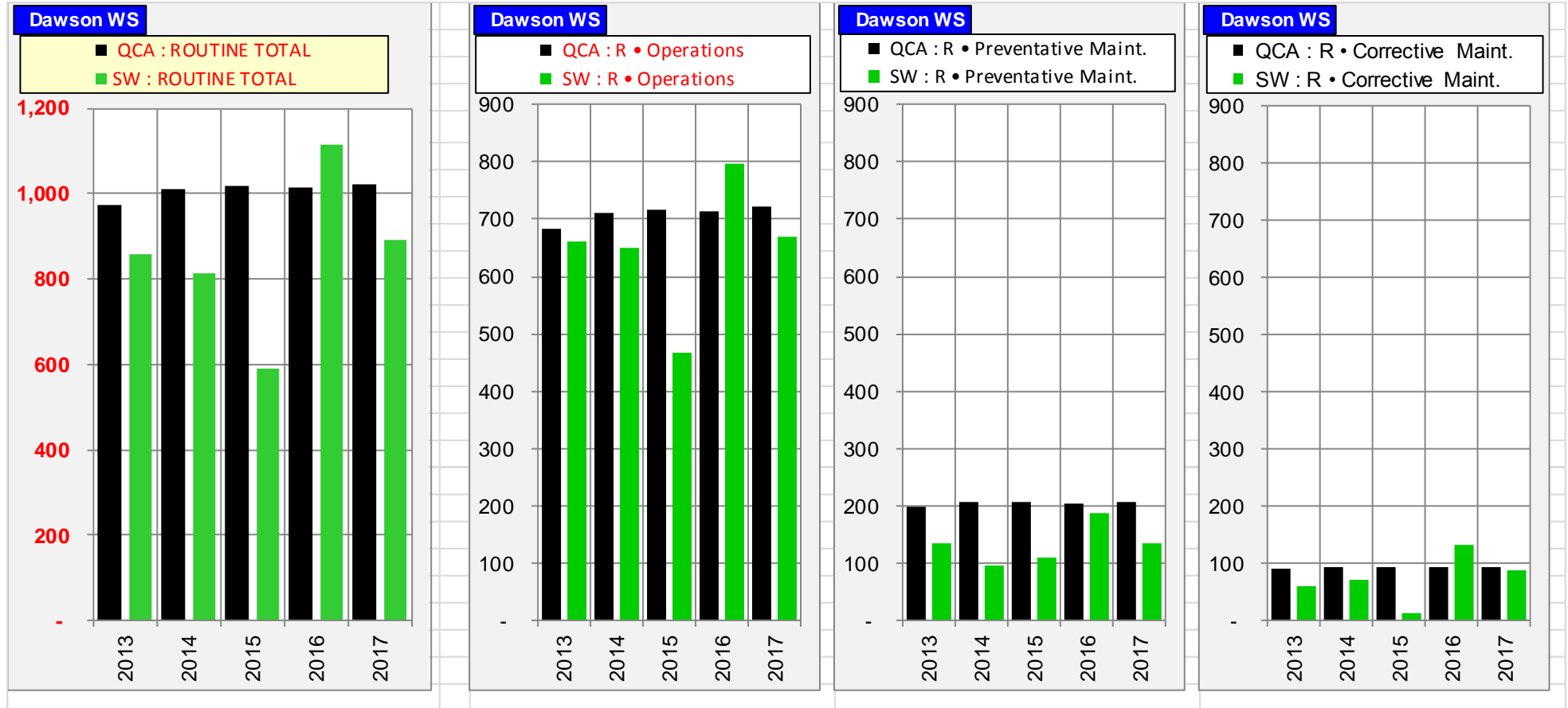
- De-silt intake structures;
- Repair concrete structure; and
- Repair control building.
- Storages (balancing storages and reservoirs)
  - Repair control gates and valves;
  - Repair walls, embankments and spillways; and
  - Repair concrete structures.
- Meters
  - Repair bulk water meters; and
  - 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.

**Table 5: Non-Routine Expenditure**

Dawson 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
<b>Annuity Funded</b>																				
Operations	-	-	-	-	-	-	-	15	15	-	-	-	31	-	(31)	-	31	15	(16)	212
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	81	-	(81)	130	-	(130)	-	-	-	-	-	-	-	-	-	-	211	-	(211)	-
R&E	(31)	144	175	181	190	8	298	130	(168)	491	82	(410)	641	623	(19)	103	1,581	1,168	(414)	135
Non-routine Total	49	144	94	311	190	(122)	298	144	(154)	491	82	(410)	672	623	(49)	108	1,823	1,182	(640)	154
<b>Non Annuity Funded</b>	-			4			3			-			-				7			

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)
Supply, Install, Commission for PLC and SCADA system – MOURA OFFSTREAM STORAGE PUMPSTATION	This is a continuing project. The control system for two submersible Flyght pumps at Moura Off-Stream Storage (MOSS) includes Programmable Logic Controls (PLC), Remote Terminal Units (RTU), level and flow instruments, and communication equipment. A Citect SCADA computer is also available at Theodore to control the pump station remotely. The control system is due for replacement according to standard Whole of Life replacement under the asset management planning methodology as risks of system failure are unacceptable specifically when successful operation depends on short windows for flood harvesting.	151
Engineering option analysis study to reinstate Orange Creek Weir to operational condition - SunWater response to customer request. – ORANGE CREEK WEIR	During one of the Dawson Valley IAC meetings, SunWater advised that as Orange Creek Weir was not a part of the ROP and had passed its asset design life, the current maintenance strategy was to run the asset to failure with no planned refurbishment or replacement in the current or future price paths. However, the IAC requested SunWater engage an independent consultant to assess the condition of the weir and foundations, and investigate options and costs for an upgrade to get an extended life. This outcomes of this investigation would be presented to the committee for a decision on whether the irrigators would be willing to include these costs in the future price path.	140
Study Dam Safety Hydrology and Dam Break Review	The understanding of hydrology and dam break analysis is an essential input into the assessment of dam safety risks. 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.	50
Study: 5yr Dam Comprehensive Inspection - MOURA OFFSTREAM STORAGE	This inspection is a mandatory requirement under Dam Safety regulation. A comprehensive Dam Safety Inspection for Moura Off-Stream Storage will be carried out by inspecting all aspects (including conduit) and testing the operability of all equipment.	45
Failure Impact Assessment - MOURA OFFSTREAM STORAGE	A review of the existing Failure Impact Assessment (FIA) for Moura Off-Stream Storage is a mandatory regulatory requirement and is due to be submitted by 1st June 2017. This project is to review and confirm if the existing assessment and failure impact rating is still valid. A review of flood hydrology and aerial photography will be undertaken.	42

Design, manufacture the bulkhead gate and then refurbish the regulating gate.	During the last Theodore Weir five yearly inspection, regulating gates at Theodore Weir were found to be not in satisfactory condition. Therefore refurbishment is recommended. In this project a bulkhead gate is to be designed and manufactured to enable regulating gates isolation, and then detail condition assessment can be undertaken. Based on this assessment, a detail scope of refurbishment/replacement is then developed to improve the radial gates condition into satisfactory state.	39
Study: WEIR PROGRAM - 5yr Dam Comprehensive Inspection – NEVILLE HEWITT WEIR	Neville Hewitt Weir is categorised as a major weir in relation to importance in the scheme and to stakeholders. Even though it is not a mandatory regulatory requirement, SunWater undertakes annual inspection and five yearly comprehensive inspections for all major weirs to ensure their safety. In 2016, the five yearly inspection for Neville Hewitt Weir is due.	35
Other works	There are 14 other non-routine projects for 2017 ranging from \$5,000 to \$30,000. Further detail was tabled at the IAC meeting.	170
Total		672

## 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**

Dawson WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
<b>Annuity</b>							
Opening Balance		1,875	1,919	1,706	2,024	1,766	1,875
Net Spend	See below	(49)	(311)	210	(402)	(672)	(1,226)
Annuity Contribution		(47)	(45)	(20)	(7)	16	(103)
Interest		140	144	128	152	132	696
SunWater - Closing Balance		1,919	1,706	2,024	1,766	1,242	1,242
QCA - Closing Balance		2,885	2,867	2,917	3,047	2,668	2,668
Difference		(966)	(1,161)	(894)	(1,281)	(1,426)	(1,426)
<b>Net Spend Analysis</b>							
Spend	5 & 7	(49)	(311)	(298)	(491)	(672)	(1,823)
Insurance Proceeds Receipts							
• Prior Year		-	-	185	-	-	185
• Current Year		-	-	323	89	-	412
Net Spend		(49)	(311)	210	(402)	(672)	(1,226)

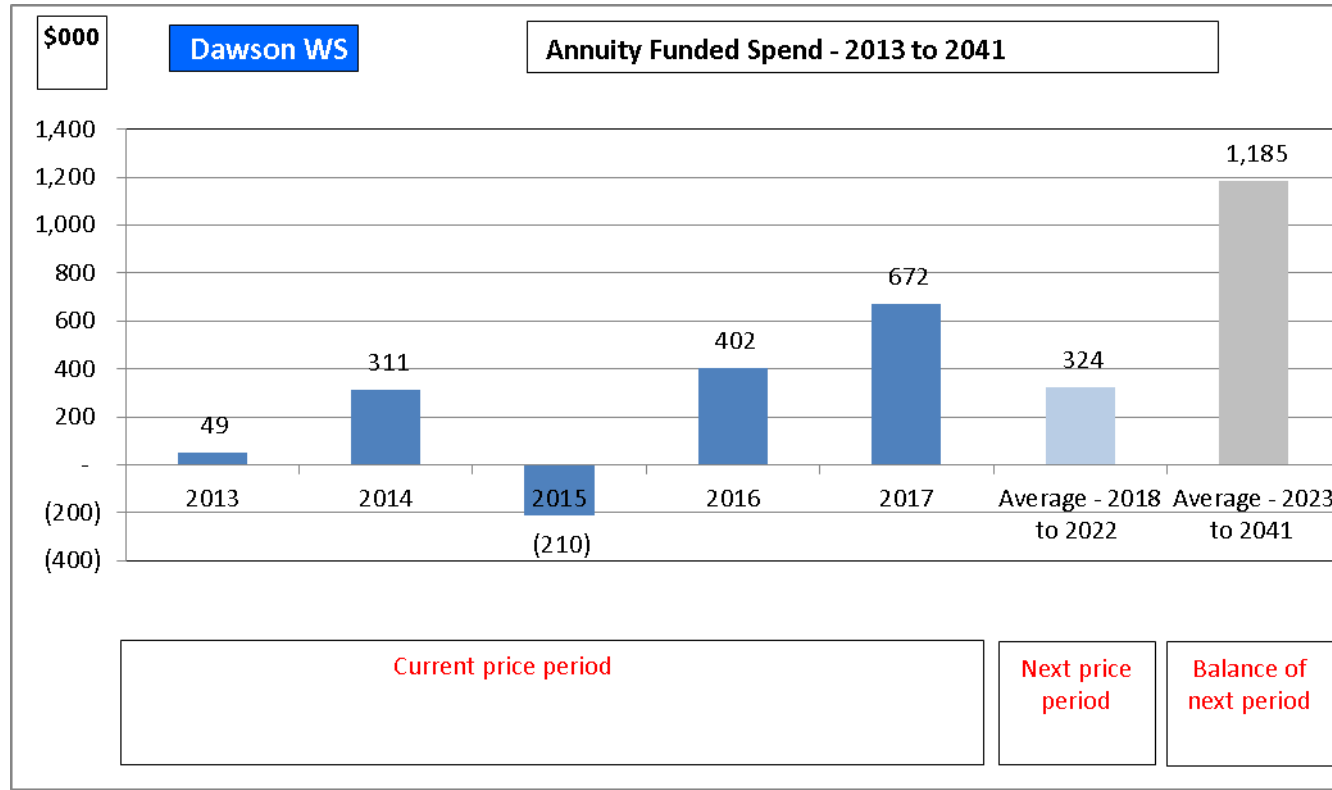
\* All 2016 and 2017 figures are subject to change once actual spend is known.



## 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**

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 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.

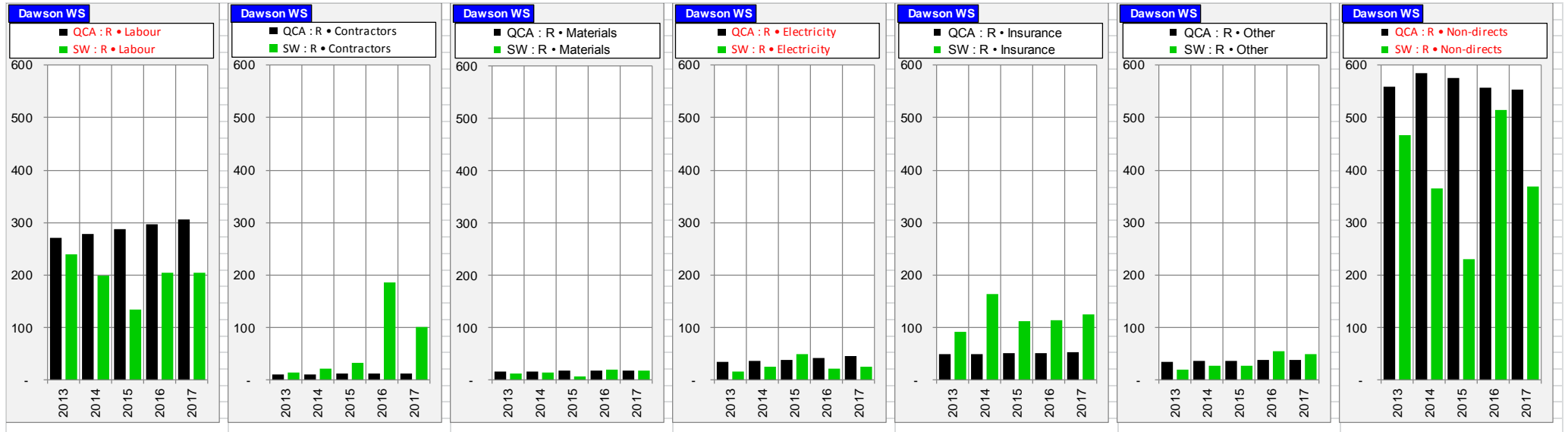
## Appendix 1: Total Expenditure by Expense Type

**Table 8: Expenditure for Activity by Type**

Dawson 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	2,124			3,003			3,298			3,403			3,566			15,395		
<b>Routine Spend</b>																		
<b>Operations</b>																		
Labour	178	184	6	152	190	38	97	196	99	145	203	57	150	209	59	723	983	260
Contractors	6	5	(0)	5	5	(0)	30	6	(24)	93	6	(87)	50	6	(44)	185	28	(157)
Materials	1	2	0	2	2	(0)	0	2	2	11	2	(9)	10	2	(8)	25	9	(16)
Electricity	15	34	19	25	36	11	48	39	(10)	22	42	20	25	45	20	135	195	59
Insurance	91	48	(43)	164	49	(115)	111	50	(61)	114	51	(64)	125	52	(74)	607	251	(356)
Other	20	25	5	23	26	3	20	26	6	43	27	(17)	36	27	(9)	143	131	(12)
Non-directs	350	385	35	278	403	125	160	397	238	366	384	18	272	382	110	1,426	1,952	525
	662	683	21	650	712	62	467	716	249	796	714	(82)	669	723	53	3,243	3,547	304
<b>Preventative Maintenance</b>																		
Labour	45	59	14	31	61	30	35	63	29	40	65	26	36	67	32	187	317	130
Contractors	3	4	1	-	4	4	3	4	1	40	4	(36)	25	4	(21)	71	20	(51)
Materials	4	6	2	3	6	3	1	6	5	1	6	5	1	7	5	10	31	21
Other	(1)	8	9	3	8	5	7	9	2	7	9	1	7	9	2	24	43	19
Non-directs	84	120	36	57	126	69	64	124	60	99	120	21	64	118	55	369	609	240
	135	198	63	95	206	111	109	206	97	188	205	17	133	206	73	660	1,021	360
<b>Corrective Maintenance</b>																		
Labour	15	26	11	16	27	11	3	28	25	19	29	10	18	30	12	70	139	69
Contractors	5	2	(4)	15	2	(14)	-	2	2	52	2	(51)	25	2	(23)	98	8	(89)
Materials	8	8	0	8	8	0	6	9	3	7	9	2	7	9	2	37	44	7
Other	0	2	1	1	2	1	0	2	2	5	2	(3)	5	2	(3)	10	8	(2)
Non-directs	32	53	22	30	56	25	5	55	50	48	53	5	33	52	19	148	269	121
	60	91	30	70	94	24	14	95	81	131	94	(37)	88	95	7	362	468	106
<b>Routine - total</b>	<b>858</b>	<b>972</b>	<b>114</b>	<b>814</b>	<b>1,012</b>	<b>198</b>	<b>590</b>	<b>1,017</b>	<b>427</b>	<b>1,115</b>	<b>1,013</b>	<b>(102)</b>	<b>890</b>	<b>1,023</b>	<b>133</b>	<b>4,266</b>	<b>5,036</b>	<b>770</b>
<b>Non-Routine Spend</b>																		
Labour	57	19	(38)	46	30	(16)	46	23	(23)	36	10	(26)	127	110	(17)	312	192	(120)
Contractors	5	48	43	131	33	(98)	115	29	(87)	250	27	(223)	155	109	(46)	656	246	(410)
Materials	(112)	17	129	31	33	2	13	24	11	102	17	(84)	124	109	(15)	158	200	43
Other	5	9	4	10	18	8	32	13	(19)	-	4	4	31	59	28	79	104	25
Non-directs	94	50	(44)	93	74	(19)	92	56	(36)	104	24	(80)	235	235	0	619	440	(178)
<b>Non-Routine - Total</b>	<b>49</b>	<b>144</b>	<b>94</b>	<b>311</b>	<b>190</b>	<b>(122)</b>	<b>298</b>	<b>144</b>	<b>(154)</b>	<b>491</b>	<b>82</b>	<b>(410)</b>	<b>672</b>	<b>623</b>	<b>(49)</b>	<b>1,823</b>	<b>1,182</b>	<b>(640)</b>
<b>Total Regulated Spend</b>	<b>907</b>	<b>1,115</b>	<b>208</b>	<b>1,126</b>	<b>1,201</b>	<b>76</b>	<b>888</b>	<b>1,161</b>	<b>273</b>	<b>1,606</b>	<b>1,094</b>	<b>(512)</b>	<b>1,562</b>	<b>1,645</b>	<b>83</b>	<b>6,089</b>	<b>6,218</b>	<b>129</b>
<b>Non Annuity Funded Spend</b>	<b>-</b>			<b>4</b>			<b>3</b>			<b>-</b>			<b>-</b>			<b>7</b>		
<b>Surplus (Deficit)</b>	<b>1,217</b>			<b>1,874</b>			<b>2,407</b>			<b>1,797</b>			<b>2,004</b>			<b>9,299</b>		

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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