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2016/17 Annual Network Service Plan

Proserpine 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

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

Table 1: Operating Revenue Less Spend

Proserpine WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	2,482	2,633	2,922	2,928	3,046
Less - Routine Expenditure	4 & 7	826	1,077	1,176	1,021	924
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	23	84	56	514	126
• Non Annuity Funded	5	-	1	-	-	-
Surplus (Deficit)		1,633	1,470	1,691	1,393	1,996

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

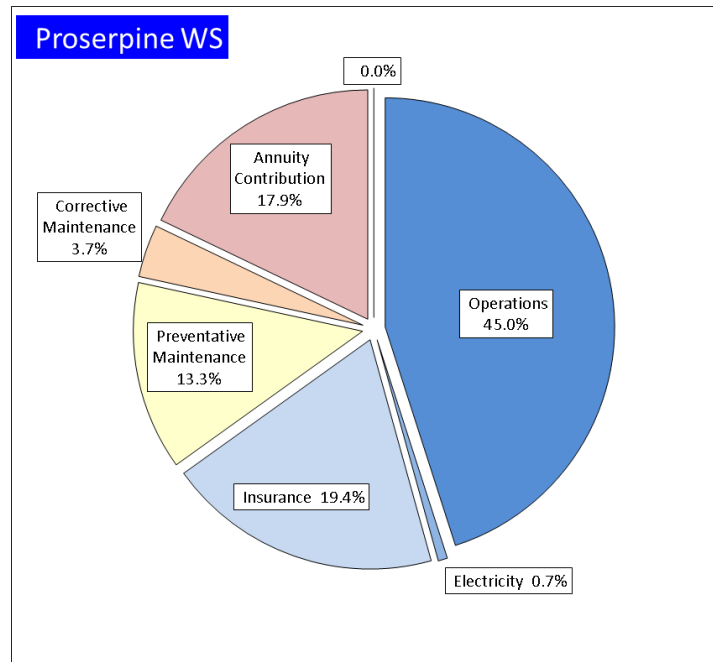


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component 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)	High-A Water Priority (ML)	Medium-A1 Water Priority (ML)	Medium-A2 Water Priority (ML)	Medium-A3 Water Priority (ML)
Proserpine River	1. Industrial		550	0	550	0	0	0
	2. Irrigation		42,017	0	1,200	27,817	3,000	10,000
	3. Urban		10,992	0	10,933	59	0	0
	5. SunWater		9,317	0	9,317	0	0	0
	Total	94	62,876	0	22,000	27,876	3,000	10,000

QCA Assumed Water Usage

62.1%

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 29% and High Priority 71% 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

Proserpine WS	2013	2014	2015	2016	2017
	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Irrigation	422	481	524	523	540
Industrial	176	224	275	282	286
Urban	1,705	1,730	1,906	1,949	2,047
Irrigation CSO	-	-	-	-	-
Revenue Transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	180	199	204	174	174
Insurance Proceeds - Flood	-	-	14	-	-
Revenue Total	2,482	2,633	2,922	2,928	3,046

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

Proserpine 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	525	564	39	641	588	(53)	555	589	34	529	587	58	507	595	87	85	2,758	2,922	164	94
Electricity	7	5	(2)	7	5	(1)	-	6	6	7	6	(1)	7	7	(1)	110	28	29	1	96
Insurance	164	88	(76)	296	89	(207)	194	91	(104)	199	92	(107)	218	94	(124)	232	1,072	454	(618)	236
Operations Total	695	656	(39)	944	682	(261)	750	686	(64)	736	686	(50)	733	695	(38)	105	3,858	3,406	(452)	113
Preventative Maintenance	48	142	95	91	148	57	232	150	(82)	208	150	(57)	150	152	2	99	728	742	14	98
Corrective Maintenance	83	52	(31)	42	53	11	194	55	(140)	77	56	(22)	42	56	15	74	438	271	(167)	162
Routine Total	826	850	24	1,077	884	(193)	1,176	890	(286)	1,021	892	(129)	924	903	(21)	102	5,025	4,419	(605)	114

The budget routine spend is 2% 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 5% above the QCA target, due to the increases in insurance costs 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 includes²:

- 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 at 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 emergency²:

- 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;

² Activities listed will not apply to all service contracts.

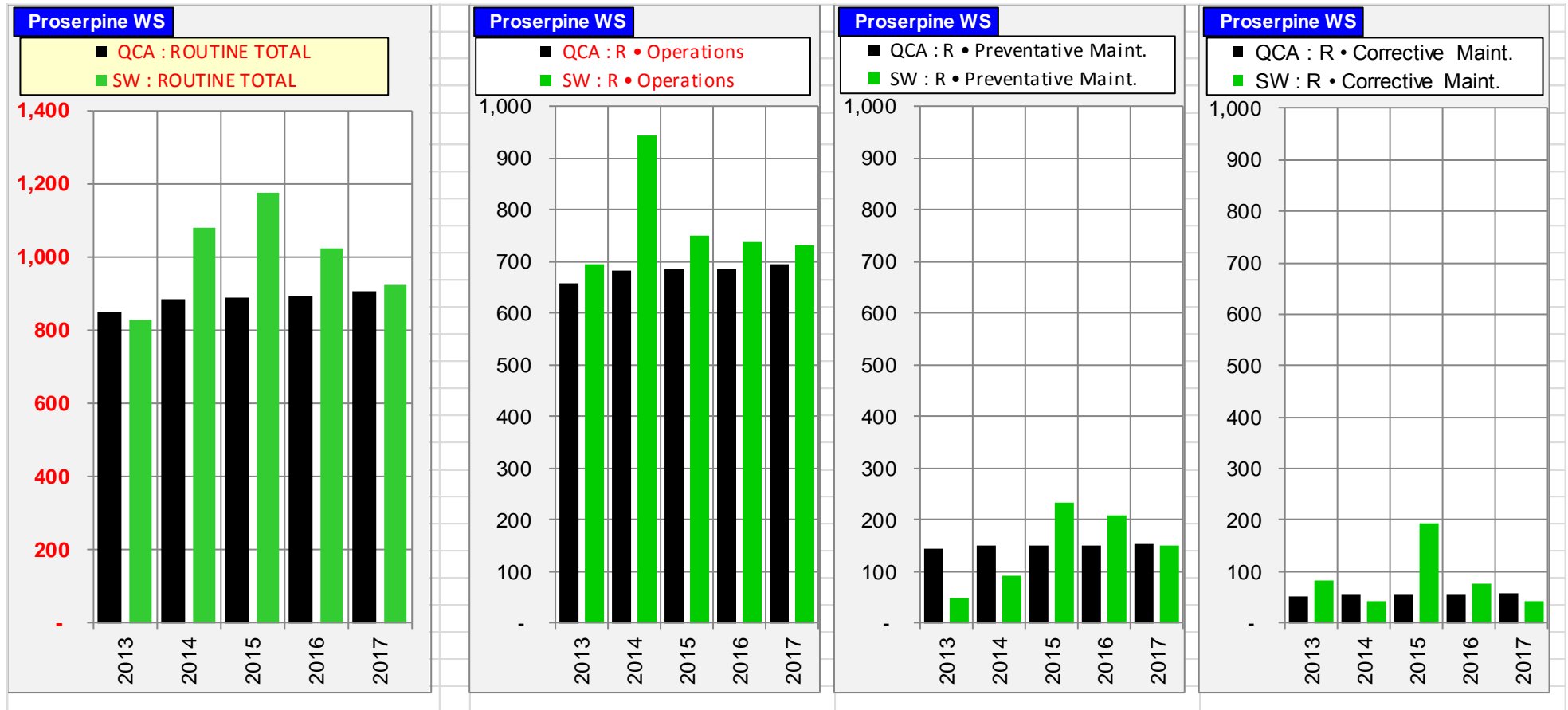
- De-silt intake structures;
- Repair concrete structure; and
- Repair control building.
- Storages (balancing storages and reservoirs)
 - Repair control gates and valves;
 - Repair walls, embankments and spillways; and
 - Repair concrete structures.
- Meters
 - Repair bulk water meters; and
 - Repair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

In summary the key challenges in managing routine cost lie with reigning in insurance premiums. 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.

Table 5: Non-Routine Expenditure

Proserpine 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	-	-	-	-	-	-	-	-	-	-	-	-	13	-	(13)	-	13	-	(13)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
R&E	23	37	13	84	188	104	56	42	(13)	514	42	(472)	113	444	331	25	791	752	(38)	105
Non-routine Total	23	37	13	84	188	104	56	42	(13)	514	42	(472)	126	444	318	28	804	752	(51)	107
Non Annuity Funded	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-

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)
Repair the pitting corrosion in the upstream steel pipe section of both conduits - valve area only – PETER FAUST DAM	Discharge Conduits No.1 and 2 were inspected during 5 yearly comprehensive inspection of the Peter Faust Dam in 2013. It was revealed that the conduit 1, upstream of the guard valve, had considerable pitting corrosion in the pipe and flange interface adjacent to the guard valve. The upstream section of the conduit 2 had a small number of corrosion “blisters” lifting the protective coating of the outlet pipe and exposing the underlying pipe. Patch painting repair of these areas is required to prevent further corrosion that may lead to the leaking, to prevent problems caused by water flowing along the outside of conduits.	28
Replace Meter Program (2 per year) - PROSERPINE IRRIGATION	Meters are a run to failure asset. They require replacement to maintain the accuracy of meter reads in accordance with SunWater’s Metering Policy.	21
Update O&M Manuals and SOPs for Proserpine Supply - PETER FAUST DAM	The ANCOLD Guidelines on Dam Safety Management (items 4.2 and 4.4, ANCOLD, 2003) requires SOP and O&M manual should be regularly reviewed by the owner to ensure they continue to meet the needs of the owner, the expectations of downstream residents and users, as well as safety criteria.	20
Study: Options Analysis - Replace Control – PETER FAUST DAM	The Outlet Works SCADA controls were assessed in 2014 and found in acceptable condition. However some major components of the control are obsolete and no longer supported by the manufacturer and no spare parts are available so that the risk if failure occurs is unacceptable for continued supply and reliability. The purpose of this project is to develop an Option Analysis to replace the SCADA Controls.	16
Remove and replace the DN300 Low-flow fixed dispersion cone valve – PETER FAUST DAM	The DN300 “low-flow” fixed dispersion cone valve was inspected during 5 yearly comprehensive inspection of the Peter Faust Dam in 2013. It was revealed that the valve was heavily corroded and at the end of its service life. It was recommended to replace the DN300 “Low-flow” fixed dispersion cone valve.	10
Other works	There are 6 other non-routine projects for 2017 ranging from \$4,000 to \$8,000. Further detail was tabled at the IAC meeting.	31
Total		126

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

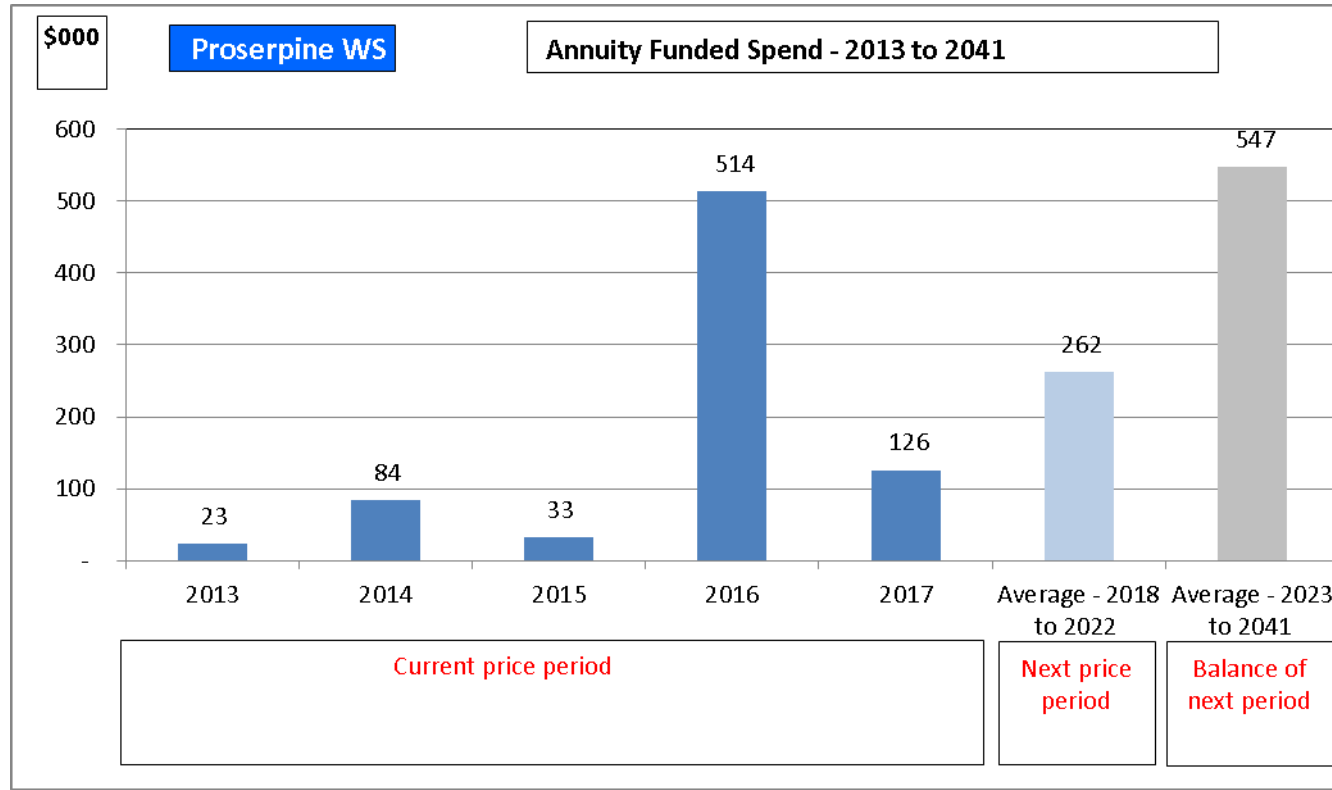
Proserpine WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
Annuity							
Opening Balance	See below	(360)	(212)	(112)	48	(262)	(360)
Net Spend		(23)	(84)	(33)	(514)	(126)	(781)
Annuity Contribution		198	200	202	201	201	1,002
Interest		(27)	(16)	(8)	4	(20)	(67)
SunWater - Closing Balance		(212)	(112)	48	(262)	(206)	(206)
QCA - Closing Balance		221	250	428	619	423	423
Difference		(433)	(362)	(380)	(881)	(629)	(629)
Net Spend Analysis							
Spend	5 & 7	(23)	(84)	(56)	(514)	(126)	(804)
Insurance Proceeds Receipts							
• Prior Year		-	-	9	-	-	9
• Current Year		-	-	14	-	-	14
Net Spend		(23)	(84)	(33)	(514)	(126)	(781)

* 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

Extend the right bank revetment mattresses further upstream to protect the slope against erosion – PETER FAUST DAM

Year: 2018

Current estimate: \$211k

Options analysis completed: No

During the 2013 five-yearly inspection, it was noted that the spillway approach channel has suffered scour and loss of the right bank upstream of the revetment mattresses. A small area of the rock protection upstream of the mattress had slipped and exposed the erodible material. The batter could be further damaged in future floods or from heavy rainfall and allow the revetment works to be undermined. Restricted and difficult access to the revetment mattresses has had a significant effect on the cost of this project.

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

Improvement of the Inlet Tower Structure - site work - PETER FAUSTDAM

Year: 2021

Current estimate: \$245k

Options analysis completed: No

Due to high running cost of the existing monorail hoist it is recommended to complete options analysis for the need for crane (monorail hoist vs mobile crane). Decommissioning of the monorail hoist may be the recommended alternative.

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 2024-41 period.

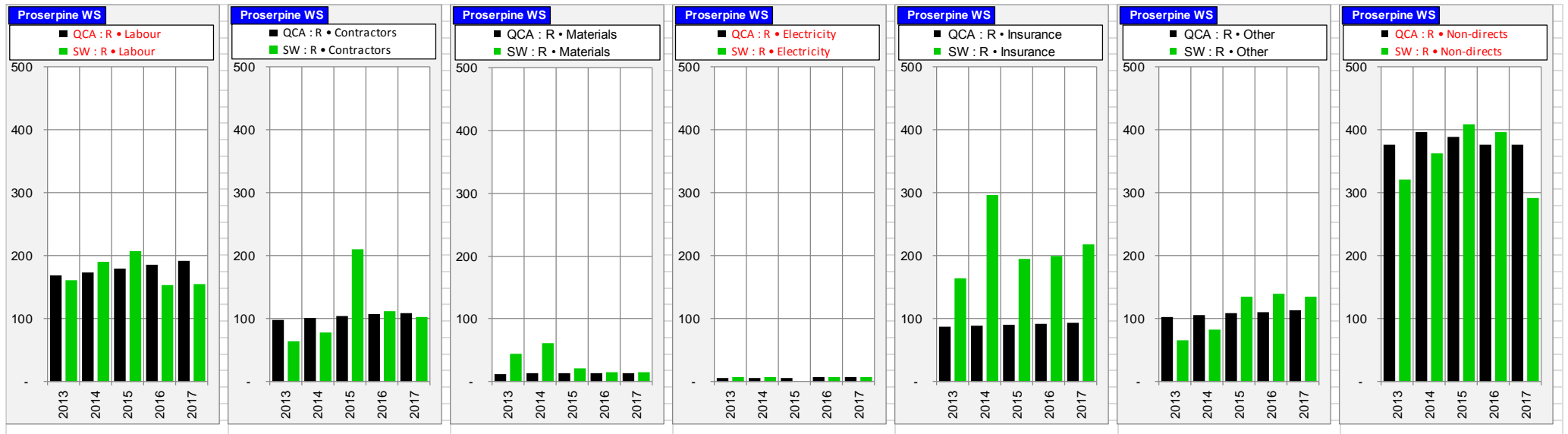
Appendix 1: Total Expenditure by Expense Type

Table 8: Expenditure for Activity by Type

Proserpine 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	2,482			2,633			2,922			2,928			3,046			14,012		
Routine Spend																		
Operations																		
Labour	135	135	(0)	167	139	(28)	120	144	23	95	148	53	117	153	36	635	719	83
Contractors	46	38	(9)	50	39	(12)	65	40	(25)	69	41	(28)	50	42	(8)	281	201	(80)
Materials	19	7	(12)	27	7	(19)	9	8	(1)	4	8	4	5	8	3	64	38	(26)
Electricity	7	5	(2)	7	5	(1)	-	6	6	7	6	(1)	7	7	(1)	28	29	1
Insurance	164	88	(76)	296	89	(207)	194	91	(104)	199	92	(107)	218	94	(124)	1,072	454	(618)
Other	60	83	23	82	85	3	120	86	(33)	110	88	(22)	112	90	(22)	483	432	(51)
Non-directs	264	301	37	316	318	2	241	311	70	251	301	50	223	301	79	1,295	1,533	238
	695	656	(39)	944	682	(261)	750	686	(64)	736	686	(50)	733	695	(38)	3,858	3,406	(452)
Preventative Maintenance																		
Labour	13	28	15	20	29	9	69	30	(38)	48	31	(17)	34	32	(1)	184	151	(32)
Contractors	3	40	37	16	41	26	27	43	16	23	44	21	38	45	7	106	214	107
Materials	3	3	(0)	16	3	(13)	3	3	1	2	3	1	4	3	(1)	27	16	(11)
Other	2	8	6	1	8	7	5	9	3	16	9	(7)	13	9	(4)	38	44	6
Non-directs	26	62	36	39	66	27	128	65	(64)	119	63	(56)	61	62	1	373	317	(56)
	48	142	95	91	148	57	232	150	(82)	208	150	(57)	150	152	2	728	742	14
Corrective Maintenance																		
Labour	13	5	(8)	4	5	2	18	6	(13)	10	6	(4)	4	6	2	49	28	(21)
Contractors	15	19	4	12	20	8	118	21	(98)	20	21	1	15	22	7	181	104	(77)
Materials	21	2	(19)	18	2	(16)	9	2	(7)	8	2	(6)	5	2	(3)	61	10	(51)
Other	3	12	9	0	12	12	10	13	3	13	13	0	10	14	4	36	64	29
Non-directs	30	13	(17)	8	13	6	39	13	(26)	26	13	(13)	8	13	5	111	65	(46)
	83	52	(31)	42	53	11	194	55	(140)	77	56	(22)	42	56	15	438	271	(167)
Routine - total	826	850	24	1,077	884	(193)	1,176	890	(286)	1,021	892	(129)	924	903	(21)	5,025	4,419	(605)
Non-Routine Spend																		
Labour	3	6	3	28	30	2	8	7	(1)	45	7	(38)	27	74	48	110	124	13
Contractors	2	6	4	1	33	32	32	7	(24)	216	7	(209)	46	79	33	297	134	(163)
Materials	13	6	(7)	0	33	33	-	7	7	5	7	2	-	79	79	19	134	115
Other	-	3	3	4	18	14	0	4	4	122	4	(118)	5	43	39	131	73	(58)
Non-directs	5	15	10	52	73	22	16	17	1	126	16	(110)	49	167	119	248	289	41
Non-Routine - Total	23	37	13	84	188	104	56	42	(13)	514	42	(472)	126	444	318	804	752	(51)
Total Regulated Spend	849	887	38	1,162	1,072	(90)	1,231	932	(299)	1,536	934	(602)	1,050	1,347	297	5,828	5,172	(656)
Non Annuity Funded Spend	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	1	-	-
Surplus (Deficit)	1,633	-	-	1,470	-	-	1,691	-	-	1,393	-	-	1,996	-	-	8,183	-	-

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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