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2016/17 Annual Network Service Plan

St George 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

St George WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	1,529	1,500	1,518	1,580	1,615
Less - Routine Expenditure	4 & 7	937	1,255	783	1,108	935
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	771	471	498	872	1,156
• Non Annuity Funded	5	-	-	-	-	-
Surplus (Deficit)		(180)	(226)	237	(399)	(475)

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

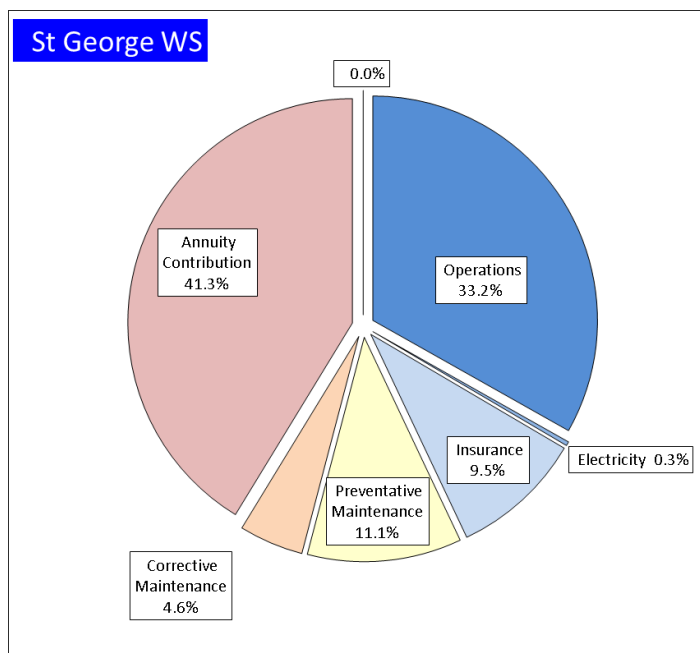


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component 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)
St George	1. Industrial		60	0	60
	2. Irrigation		71,770	0	71,770
	3. Urban		3,024	0	3,024
	5. SunWater		9,721	3,000	6,721
	Total	165	84,575	3,000	81,575

QCA Assumed Water Usage

94.2%

The 2017 budget is compiled taking into account the QCA water use assumption. All water entitlements in this scheme are medium priority, other than some high priority distribution losses.

The QCA established the Headworks Utilization Factor (HUF) for this scheme at Medium Priority 94% and High Priority 6% meaning that proportionally more costs in the scheme are apportioned to high priority water allocations on the basis that these water entitlements utilize more of the headworks assets located within the scheme. 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

St George WS	2013	2014	2015	2016	2017
	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Irrigation	325	331	348	355	364
Industrial	6	6	6	6	6
Urban	169	175	176	180	181
Irrigation CSO	-	-	-	-	-
Revenue Transfers	998	966	1,005	1,026	1,051
Drainage	-	-	-	-	-
Other	31	22	3	12	12
Insurance Proceeds - Flood	-	-	(20)	-	-
Revenue Total	1,529	1,500	1,518	1,580	1,615

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

St George 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	495	609	113	727	634	(93)	298	637	339	635	633	(1)	528	637	109	83	2,683	3,151	468	85
Electricity	4	8	5	5	9	4	7	10	2	5	10	6	5	11	6	43	26	48	22	54
Insurance	77	41	(36)	139	42	(97)	135	42	(93)	138	43	(95)	151	44	(107)	345	640	212	(428)	302
Operations Total	576	658	82	871	685	(186)	440	689	249	777	687	(91)	684	692	8	99	3,349	3,411	62	98
Preventative Maintenance	229	225	(4)	230	235	6	325	235	(90)	243	232	(11)	177	234	57	76	1,204	1,162	(42)	104
Corrective Maintenance	132	139	7	154	145	(9)	18	145	128	87	144	57	74	145	71	51	465	718	253	65
Routine Total	937	1,022	85	1,255	1,066	(190)	783	1,069	286	1,108	1,063	(45)	935	1,071	136	87	5,018	5,290	273	95

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 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.

The operations budget in 2017 is within the QCA target. This is despite the 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.

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 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 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 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.

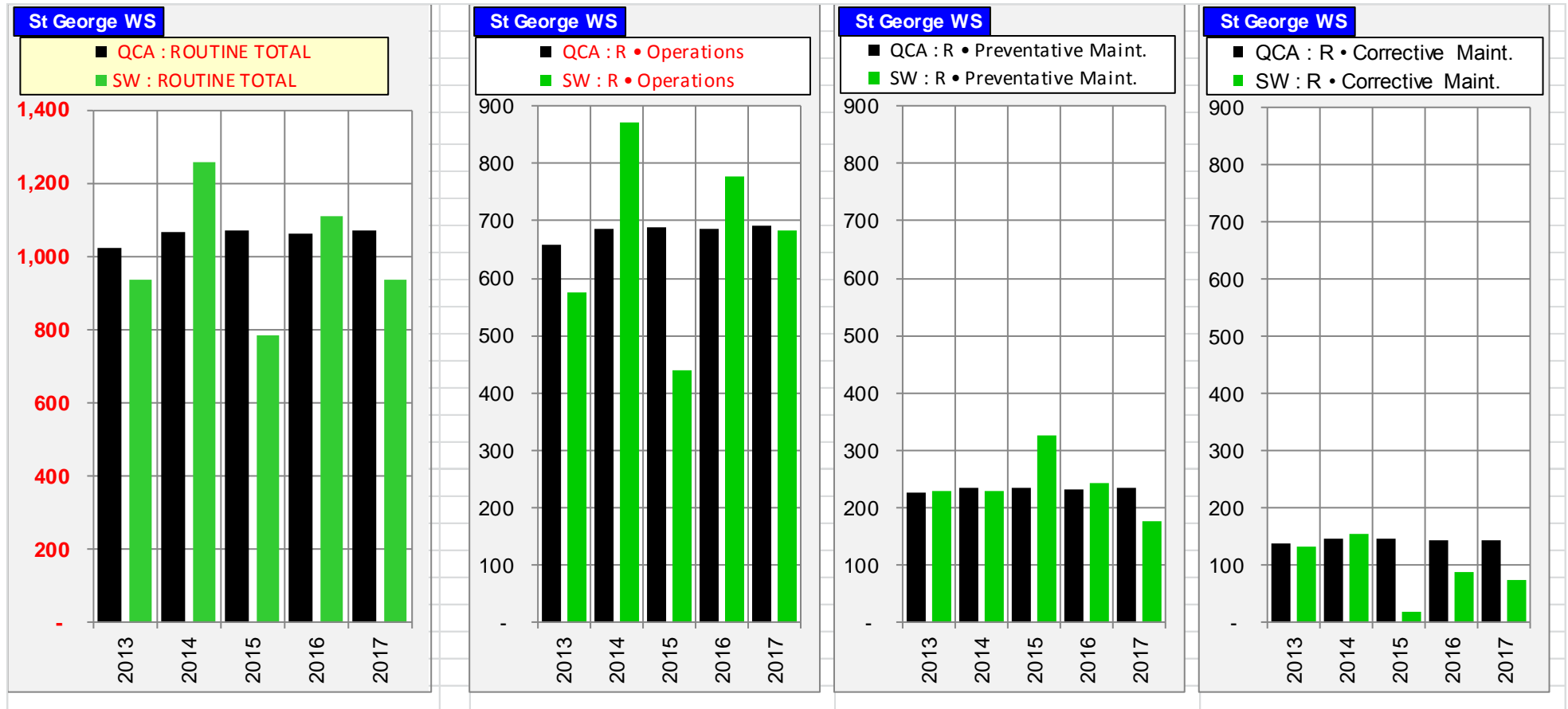
- De-silt intake structures;
- Repair concrete structure; and
- Repair control building.
- Storages (balancing storages and reservoirs)
 - Repair control gates and valves;
 - Repair walls, embankments and spillways; and
 - Repair concrete structures.
- Meters
 - Repair bulk water meters; and
 - Repair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

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

St George 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	110	-	(110)	77	-	(77)	54	-	(54)	-	-	-	24	-	(24)	-	265	-	(265)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	402	-	(402)	217	-	(217)	(0)	-	0	-	-	-	-	-	-	-	619	-	(619)	-
R&E	259	576	317	177	545	368	444	582	138	872	444	(428)	1,132	542	(589)	209	2,884	2,689	(195)	107
Non-routine Total	771	576	(195)	471	545	74	498	582	84	872	444	(428)	1,156	542	(614)	213	3,768	2,689	(1,078)	140
Non Annuity Funded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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)
Refurbish - Electrical Upgrade continued – EJ BEARDMORE DAM	The electrical system is 35 years old. The age and condition was identified as a WHS issue in a safety audit and an options analysis was completed and the conclusion was that replacement of the entire system was justified.	298
Refurbish: Installation of a filter zone between Thuraggi inlet and outlet to control seepage – EJ BEARDMORE DAM	During repairs works in Thuraggi Channel, a leakage path from the Beardmore Dam Storage was identified. If this leakage continues or advances, there is the potential for a piping failure of the embankment wall and as a result presents an unacceptable dam safety risk. The project involves installation of a filter which can manage leakage without risk of piping failure. This would be undertaken the next time water levels are lower.	215
Refurbish - undertake electrical safety upgrade - as per options analysis – JACK TAYLOR WEIR	A safety audit identified some potential problems with the electrical system. Similar to Beardmore Dam, an options study was undertaken which recommended replacing the majority of the old electrical system which is already older than its intended design life.	163
Refurbish: Flood / erosion Damage including dissipator - EJ BEARDMORE DAM	When the dissipator area of Beardmore dam was pumped out and drained during the 5 yearly inspection, there was large areas of concrete which had been damaged and washed away during previous flood events. This project is to replace the missing concrete and tie it into the remaining concrete so another flood will not exacerbate the problem.	111
Refurbish: Replacement of gallery cabling and lighting following water getting into the conduits – EJ BEARDMORE DAM	Water was leaking through the construction joints in the gallery at EJ Beardmore Dam. This is an expected phenomenon particularly in the colder months, however it found its way into the gallery lighting system. Apart from a blown light, water was found to be dripping from the electrical sockets. Given its age it has been recommended that the system be replaced and the existing asbestos covers be removed and disposed off.	81
Other works	There are 13 other non-routine projects for 2017 ranging from \$5,000 to \$63,000. Further detail was tabled at the IAC meeting.	288
Total		1,156

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

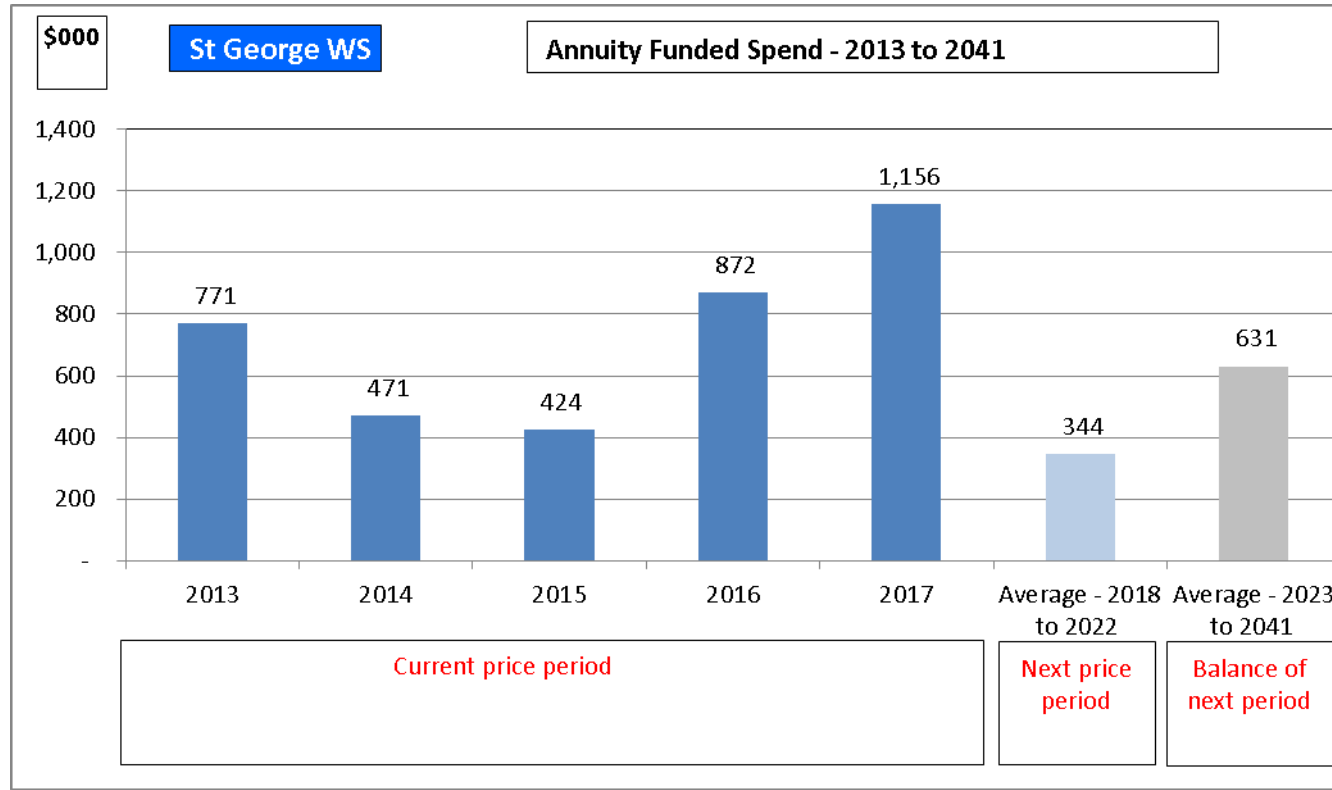
St George WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
Annuity							
Opening Balance		128	(8)	154	382	188	128
Net Spend	See below	(771)	(471)	(424)	(872)	(1,156)	(3,694)
Annuity Contribution		625	634	640	649	657	3,206
Interest		10	(1)	12	29	14	63
SunWater - Closing Balance		(8)	154	382	188	(296)	(296)
QCA - Closing Balance		1,258	1,442	1,608	1,934	2,194	2,194
Difference		(1,267)	(1,287)	(1,226)	(1,746)	(2,490)	(2,490)
Net Spend Analysis							
Spend	5 & 7	(771)	(471)	(498)	(872)	(1,156)	(3,768)
Insurance Proceeds Receipts							
• Prior Year		-	-	94	-	-	94
• Current Year		-	-	(20)	-	-	(20)
Net Spend		(771)	(471)	(424)	(872)	(1,156)	(3,694)

* 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 2013-15 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

Study: 20yr Dam Safety Review – EJ BEARDMORE DAM

Year: 2022

Current estimate: \$393k

Options analysis completed: No

EJ Beardmore Dam is a category 1 referable structure and the 20 Year Dam Safety Review is required for Queensland Government Regulatory Compliance. The review is a procedure for systematically assessing the safety of a dam after its original construction. It is a fresh engineering assessment of the integrity of all elements of a dam. It usually incorporates a:

- Current failure impact assessment,
- Detailed review of structural, hydraulic, hydrologic and geotechnical design aspects,
- Review of historical operational performance,
- Review of surveillance reports,
- Comprehensive inspection of the dam, and
- Comparison of the standards used for building and upgrading the dam against current design standards.

Given this requirement is mandatory, an options analysis will not be completed.

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.

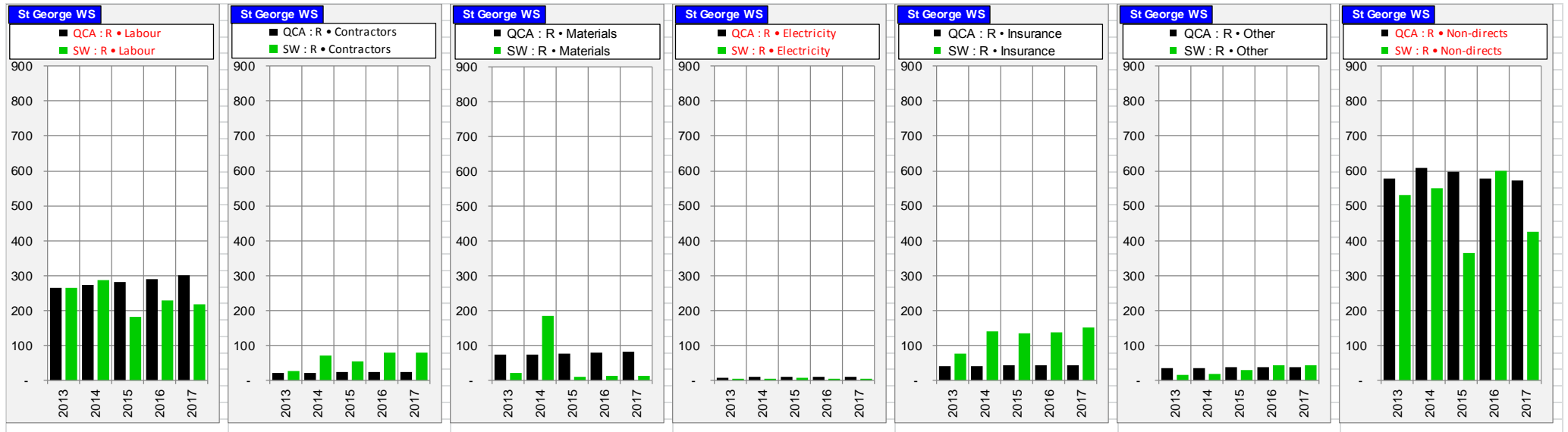
Appendix 1: Total Expenditure by Expense Type

Table 8: Expenditure for Activity by Type

St George 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	1,529			1,500			1,518			1,580			1,615			7,742		
Routine Spend																		
Operations																		
Labour	155	154	(1)	173	159	(14)	83	164	81	152	169	17	150	175	24	714	821	107
Contractors	4	16	13	35	17	(18)	24	17	(6)	48	18	(30)	48	18	(30)	158	87	(71)
Materials	3	65	62	161	67	(94)	5	69	64	1	71	70	1	72	71	170	343	173
Electricity	4	8	5	5	9	4	7	10	2	5	10	6	5	11	6	26	48	22
Insurance	77	41	(36)	139	42	(97)	135	42	(93)	138	43	(95)	151	44	(107)	640	212	(428)
Other	6	29	23	13	30	17	9	30	22	24	31	7	24	31	7	76	152	75
Non-directs	328	345	17	345	362	17	177	357	180	409	344	(65)	305	341	36	1,564	1,748	184
	576	658	82	871	685	(186)	440	689	249	777	687	(91)	684	692	8	3,349	3,411	62
Preventative Maintenance																		
Labour	75	69	(6)	66	71	5	97	73	(24)	59	76	17	50	78	28	346	366	20
Contractors	12	3	(9)	22	3	(19)	24	3	(21)	19	3	(16)	19	3	(16)	96	14	(82)
Materials	5	6	1	17	6	(11)	2	6	4	8	6	(2)	8	6	(2)	40	30	(10)
Other	1	3	2	6	3	(2)	20	3	(16)	12	3	(8)	12	4	(8)	50	17	(33)
Non-directs	137	145	8	120	153	33	182	150	(32)	145	145	(1)	88	143	55	672	736	63
	229	225	(4)	230	235	6	325	235	(90)	243	232	(11)	177	234	57	1,204	1,162	(42)
Corrective Maintenance																		
Labour	36	42	6	47	43	(3)	2	45	43	18	46	28	18	48	30	120	224	104
Contractors	10	3	(7)	15	3	(13)	6	3	(4)	13	3	(10)	13	3	(10)	57	14	(43)
Materials	13	3	(10)	8	3	(5)	3	3	(0)	5	3	(2)	5	3	(2)	34	14	(20)
Other	7	3	(4)	0	3	3	2	3	2	6	3	(3)	6	3	(3)	22	16	(6)
Non-directs	66	89	22	84	94	9	4	92	87	45	88	44	32	88	56	232	451	219
	132	139	7	154	145	(9)	18	145	128	87	144	57	74	145	71	465	718	253
Routine - total	937	1,022	85	1,255	1,066	(190)	783	1,069	286	1,108	1,063	(45)	935	1,071	136	5,018	5,290	273
Non-Routine Spend																		
Labour	166	74	(92)	68	71	4	102	91	(11)	79	73	(6)	106	68	(38)	520	378	(143)
Contractors	71	249	178	63	179	116	175	107	(67)	493	78	(415)	710	141	(569)	1,512	755	(757)
Materials	86	49	(38)	140	66	(74)	1	98	97	41	78	37	47	143	96	315	433	119
Other	146	1	(145)	71	32	(39)	23	53	30	39	41	3	69	31	(38)	348	158	(189)
Non-directs	301	204	(98)	130	197	67	198	232	34	220	173	(48)	224	160	(64)	1,074	965	(108)
Non-Routine - Total	771	576	(195)	471	545	74	498	582	84	872	444	(428)	1,156	542	(614)	3,768	2,689	(1,078)
Total Regulated Spend	1,708	1,598	(110)	1,726	1,611	(116)	1,281	1,651	370	1,980	1,507	(473)	2,091	1,613	(478)	8,785	7,980	(806)
Non Annuity Funded Spend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit)	(180)	-	-	(226)	-	-	237	-	-	(399)	-	-	(475)	-	-	(1,043)	-	-

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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