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# 2016/17 Annual Network Service Plan

## Upper Burnett 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**

Upper Burnett WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	1,413	1,475	1,897	2,789	1,483
Less - Routine Expenditure	4 & 7	663	840	789	868	803
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	350	2,465	279	439	783
• Non Annuity Funded	5	3	105	28	-	-
Surplus (Deficit)		397	(1,936)	801	1,482	(104)

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**

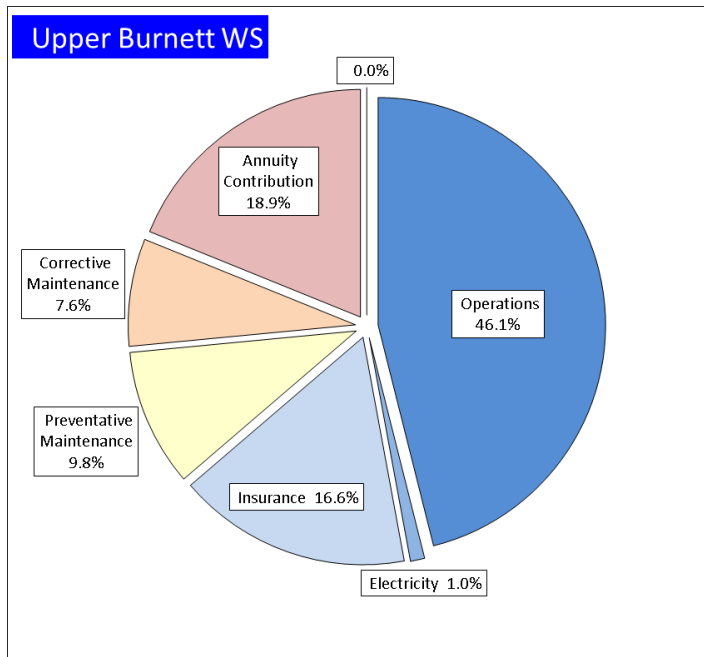


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component 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)
Upper Burnett	1. Industrial		119	0	119
	2. Irrigation		28,469	0	28,469
	3. Urban		1,930	1,520	410
	5. SunWater		18,032	10	18,022
	Total	162	48,550	1,530	47,020

QCA Assumed Water Usage

66.0%

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 17% and High Priority 83% 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.

# Revenue

**Table 3: Revenue**

Upper Burnett WS	2013	2014	2015	2016	2017
	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Irrigation	676	764	764	798	822
Industrial	-	16	22	23	30
Urban	727	586	605	619	621
Irrigation CSO	-	-	-	-	-
Revenue Transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	11	109	26	10	10
Insurance Proceeds - Flood	-	-	480	1,339	-
Revenue Total	1,413	1,475	1,897	2,789	1,483

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**

Upper Burnett 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	404	487	83	493	507	14	531	508	(23)	466	504	37	456	506	50	90	2,350	2,511	160	94
Electricity	8	7	(1)	7	8	1	5	8	3	10	9	(1)	10	10	(0)	103	40	42	3	94
Insurance	129	67	(63)	235	68	(167)	147	69	(78)	150	70	(80)	165	71	(93)	231	826	344	(481)	240
Operations Total	542	561	19	734	582	(152)	683	585	(97)	627	583	(44)	631	587	(44)	107	3,216	2,898	(318)	111
Preventative Maintenance	97	140	43	77	146	69	94	146	52	170	145	(25)	97	145	48	67	534	721	187	74
Corrective Maintenance	24	34	10	29	36	7	12	36	23	72	36	(36)	76	36	(40)	210	213	177	(36)	120
Routine Total	663	735	72	840	764	(76)	789	767	(22)	868	763	(105)	803	768	(35)	105	3,963	3,797	(167)	104

The budget routine spend is 5% 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 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 7% above the QCA target, the increase in insurance costs is higher than allowed for by the QCA. Increased premiums followed flood events that have occurred in the past few years in Queensland. The budget for operations excluding insurance and electricity is under the QCA target.

## 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.

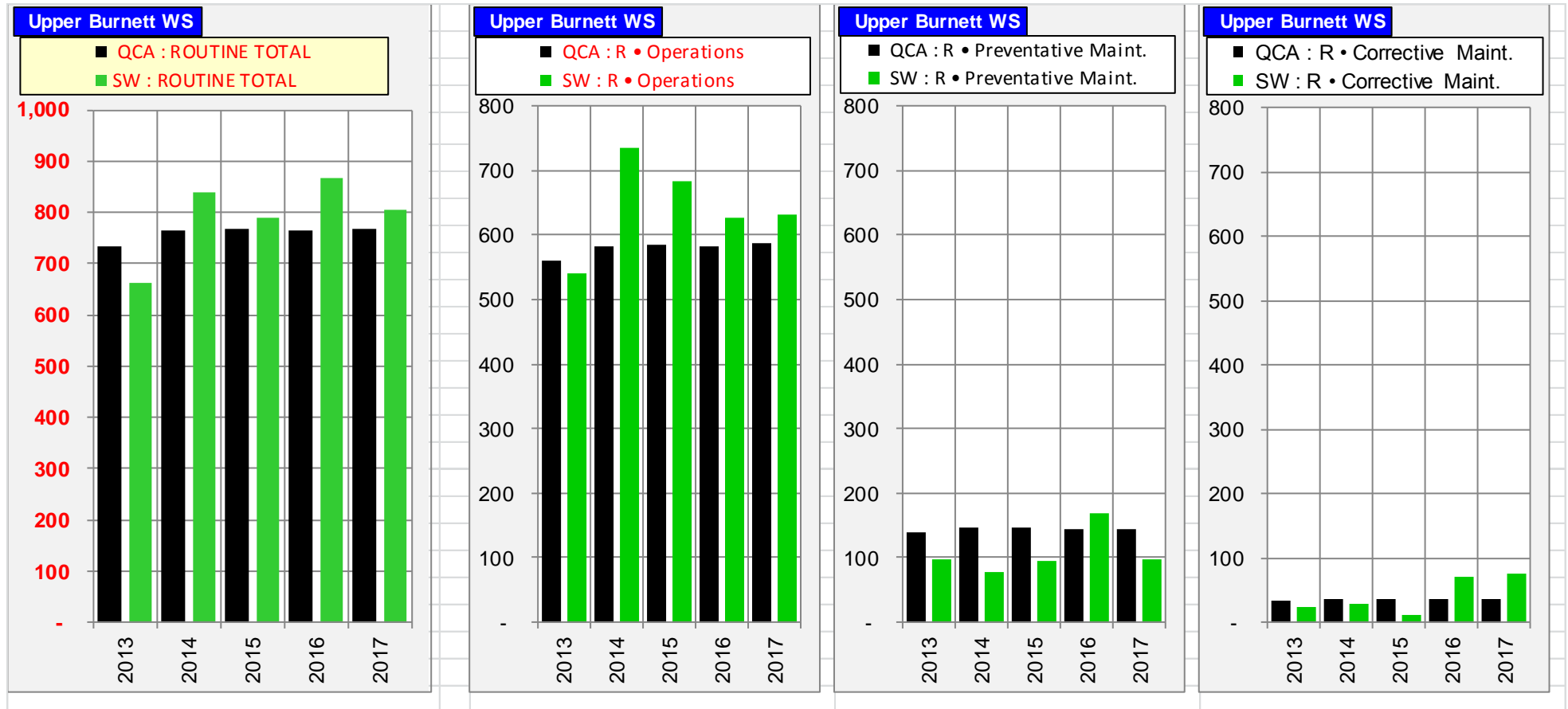
- De-silt intake structures;
- Repair concrete structure; and
- Repair control building.
- Storages (balancing storages and reservoirs)
  - Repair control gates and valves;
  - Repair walls, embankments and spillways; and
  - Repair concrete structures.
- Meters
  - Repair bulk water meters; and
  - 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 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. Insurance proceeds for 2013 flood damage remain outstanding and will be credited to the service contract when the works are completed and the funds are received.

**Table 5: Non-Routine Expenditure**

Upper Burnett 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	-	-	-	-	-	-	-	-	-	128	-	(128)	18	-	(18)	-	146	-	(146)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	310	-	(310)	2,229	-	(2,229)	108	-	(108)	160	-	(160)	-	-	-	-	2,807	-	(2,807)	-
R&E	41	206	165	237	250	13	171	224	53	151	160	9	765	276	(489)	277	1,365	1,116	(250)	122
Non-routine Total	350	206	(145)	2,465	250	(2,215)	279	224	(55)	439	160	(279)	783	276	(508)	284	4,318	1,116	(3,202)	387
<b>Non Annuity Funded</b>	<u>3</u>			<u>105</u>			<u>28</u>			<u>-</u>			<u>-</u>				<u>137</u>			

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)
Decommissioning of inflatable rubber dam- CLAUDE WHARTON WEIR	The fabridam at Bedford Weir failed unexpectedly during December 2008 resulting in a fatality. SunWater has investigated the options for replacing the fabridams and has determined through a series of consultations with irrigators and other advisory bodies, to decommission the four fabridams. At the end of the project, the remaining fabridams must be removed from site and destroyed. The pumps and blowers that automatically retain pressure within the dams must be removed from site and pipe work rendered non-functional. The clamping plates fastening the dams to the weirs must be removed and bolt holes filled with an appropriate cementitious material	247
Study: 5yr Dam Comprehensive Inspection - Civil, Mechanical & Electrical – WURUMA DAM	Undertake a 5 yearly inspection on the dam, consistent with dam safety best practices to ensure the structural and operational integrity at the weir is maintained and documented. This is a requirement for dam safety compliance.	107
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.	100
Install Trash screen Guide Extensions – WURUMA DAM	This project is to install trash screen guide extensions from the platform mid-way down the upstream face of Wuruma Dam to the top of the crest so that divers are not required to install them if the water level is high thereby eliminating the WHS risk associated. This would provide the most cost effective long term solution.	61
Refurbish: Clean Pressure Relief Drains (as part of 5yr Inspection) – WURUMA DAM	As part of the new asset maintenance strategy the pressure relief drains in concrete dams require flushing/cleaning every 5 years. This should just be a low pressure high volume flushing in order to not affect the foundation material or apply pressure to the foundations.	40
Other works	Other various works including regulator, valve, and gate refurbishments. 16 projects from \$5,000 to \$36,000. Further detail was at the IAC meeting.	229
Total		783

## Annuity Balance

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

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

**Table 7: Annuity Balance**

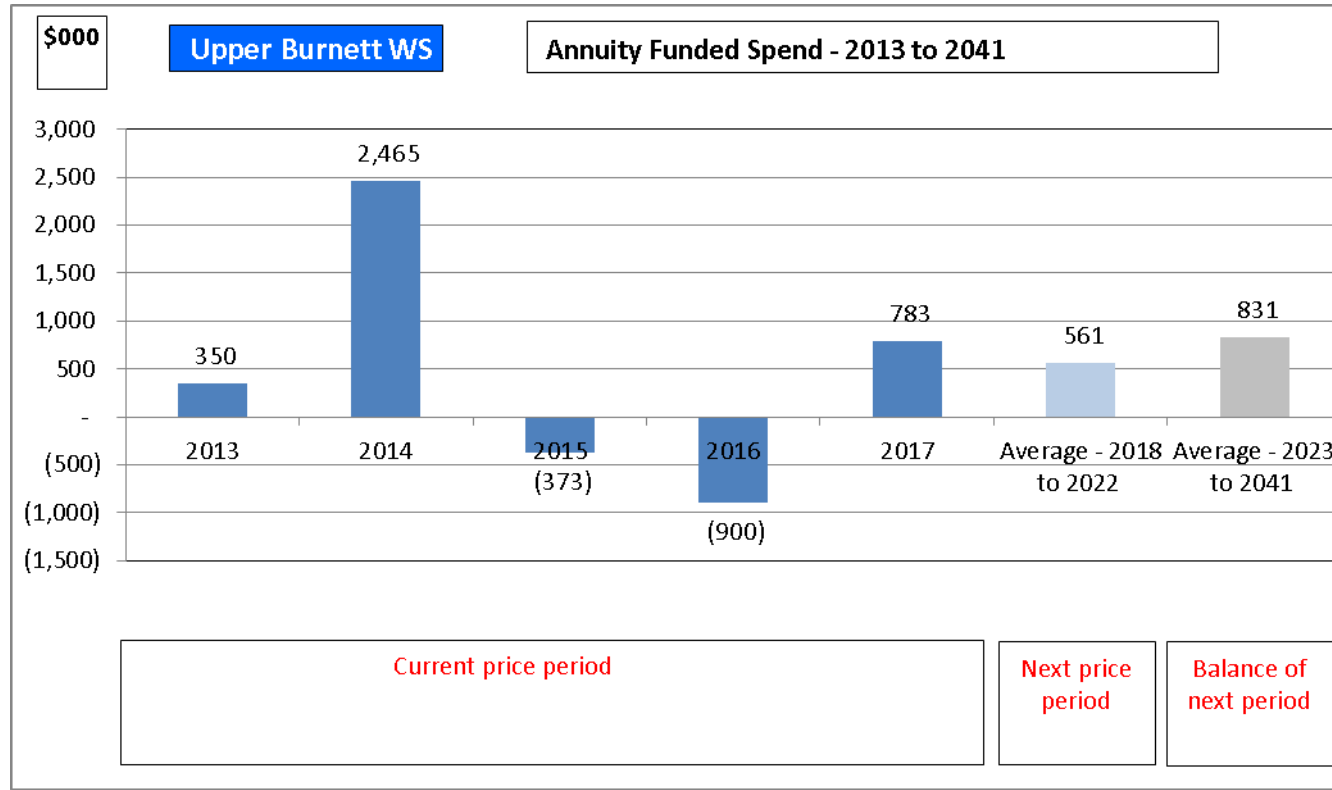
Upper Burnett WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
<b>Annuity</b>							
Opening Balance		(199)	(401)	(2,724)	(2,380)	(1,479)	(199)
Net Spend	See below	(350)	(2,465)	373	900	(783)	(2,326)
Annuity Contribution		163	173	175	180	187	876
Interest		(15)	(30)	(204)	(178)	(111)	(538)
SunWater - Closing Balance		(401)	(2,724)	(2,380)	(1,479)	(2,186)	(2,186)
QCA - Closing Balance		385	336	312	355	293	293
Difference		(786)	(3,060)	(2,692)	(1,834)	(2,479)	(2,479)
<b>Net Spend Analysis</b>							
Spend	5 & 7	(350)	(2,465)	(279)	(439)	(783)	(4,318)
Insurance Proceeds Receipts							
• Prior Year		-	-	172	-	-	172
• Current Year		-	-	480	1,339	-	1,820
Net Spend		(350)	(2,465)	373	900	(783)	(2,326)

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

## Overview of Annuity Funded Non-Routine Projects 2013-41

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

**Figure 3: Annuity Expenditure 2013-41**





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

## Material Projects 2017-18

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

## Material Projects 2019-23

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

### Study: 20yr Dam Safety Review – WURUMA DAM

Year: 2021

Current estimate: \$382k

Options analysis completed: N/A

Wuruma Dam is a category 2 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.

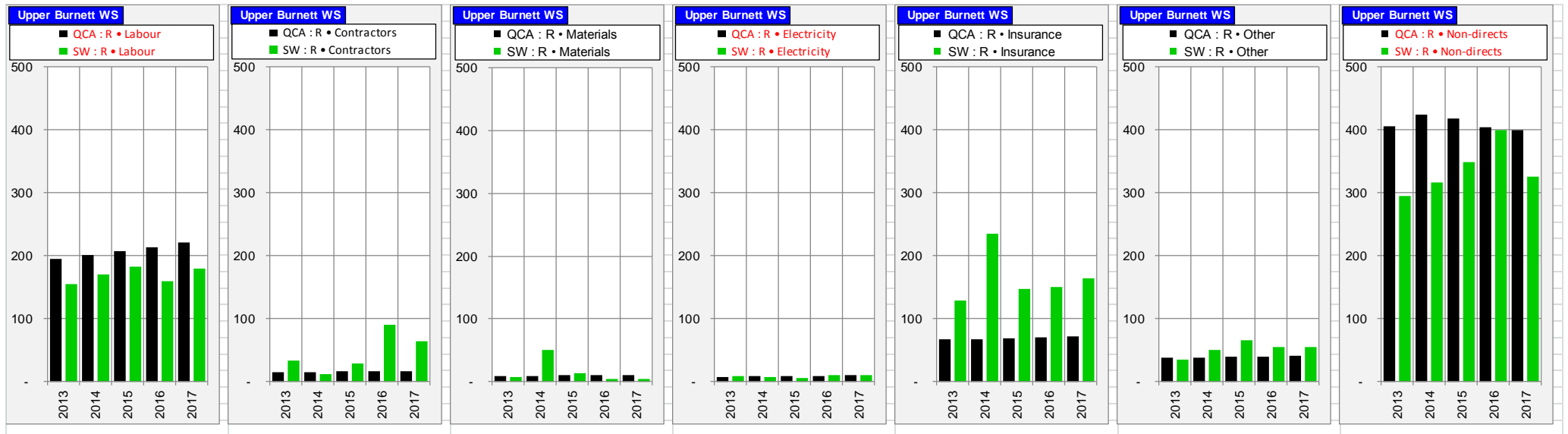
# Appendix 1: Total Expenditure by Expense Type

## Table 8: Expenditure for Activity by Type

Upper Burnett 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	1,413			1,475			1,897			2,789			1,483			9,058		
<b>Routine Spend</b>																		
<b>Operations</b>																		
Labour	120	141	21	137	146	9	149	151	2	107	155	48	134	160	26	647	754	106
Contractors	19	9	(9)	10	10	(1)	27	10	(17)	36	10	(25)	25	11	(14)	117	50	(67)
Materials	4	3	(1)	39	3	(36)	12	3	(9)	-	4	4	-	4	4	55	17	(38)
Electricity	8	7	(1)	7	8	1	5	8	3	10	9	(1)	10	10	(0)	40	42	3
Insurance	129	67	(63)	235	68	(167)	147	69	(78)	150	70	(80)	165	71	(93)	826	344	(481)
Other	34	34	0	49	35	(14)	55	36	(20)	52	36	(16)	52	37	(15)	242	178	(64)
Non-directs	226	298	72	258	313	55	287	308	21	272	298	26	245	294	49	1,289	1,511	223
	542	561	19	734	582	(152)	683	585	(97)	627	583	(44)	631	587	(44)	3,216	2,898	(318)
<b>Preventative Maintenance</b>																		
Labour	32	44	12	27	45	18	32	47	15	42	48	6	31	50	19	163	233	70
Contractors	2	3	2	-	3	3	1	4	3	24	4	(20)	10	4	(6)	37	18	(19)
Materials	0	3	2	1	3	2	1	3	2	1	3	2	1	3	2	3	14	10
Other	0	2	2	2	2	1	2	2	0	1	2	1	1	2	1	6	11	5
Non-directs	63	88	25	48	92	45	59	91	32	102	88	(14)	54	87	32	325	446	121
	97	140	43	77	146	69	94	146	52	170	145	(25)	97	145	48	534	721	187
<b>Corrective Maintenance</b>																		
Labour	3	9	6	6	10	3	1	10	8	10	10	(0)	14	10	(4)	35	49	14
Contractors	13	2	(11)	0	2	2	-	2	2	30	2	(28)	30	2	(28)	73	11	(62)
Materials	3	3	0	10	3	(7)	-	3	3	4	3	(0)	4	3	(0)	20	16	(4)
Other	-	1	1	0	1	1	8	1	(7)	1	1	(0)	1	1	(0)	11	5	(6)
Non-directs	6	19	13	12	20	8	3	19	17	27	19	(8)	26	19	(8)	74	95	22
	24	34	10	29	36	7	12	36	23	72	36	(36)	76	36	(40)	213	177	(36)
<b>Routine - total</b>	<b>663</b>	<b>735</b>	<b>72</b>	<b>840</b>	<b>764</b>	<b>(76)</b>	<b>789</b>	<b>767</b>	<b>(22)</b>	<b>868</b>	<b>763</b>	<b>(105)</b>	<b>803</b>	<b>768</b>	<b>(35)</b>	<b>3,963</b>	<b>3,797</b>	<b>(167)</b>
<b>Non-Routine Spend</b>																		
Labour	62	32	(30)	140	39	(100)	50	36	(14)	53	31	(22)	125	48	(77)	431	187	(244)
Contractors	147	27	(120)	1,906	43	(1,863)	123	37	(86)	151	-	(151)	350	51	(299)	2,676	158	(2,519)
Materials	11	47	37	26	43	17	3	42	39	92	50	(42)	11	48	38	142	231	89
Other	20	17	(3)	48	24	(24)	3	21	18	2	9	7	60	27	(33)	133	98	(35)
Non-directs	111	83	(29)	346	101	(245)	100	88	(12)	142	69	(72)	238	102	(136)	936	443	(494)
<b>Non-Routine - Total</b>	<b>350</b>	<b>206</b>	<b>(145)</b>	<b>2,465</b>	<b>250</b>	<b>(2,215)</b>	<b>279</b>	<b>224</b>	<b>(55)</b>	<b>439</b>	<b>160</b>	<b>(279)</b>	<b>783</b>	<b>276</b>	<b>(508)</b>	<b>4,318</b>	<b>1,116</b>	<b>(3,202)</b>
<b>Total Regulated Spend</b>	<b>1,014</b>	<b>940</b>	<b>(73)</b>	<b>3,305</b>	<b>1,014</b>	<b>(2,292)</b>	<b>1,068</b>	<b>991</b>	<b>(77)</b>	<b>1,307</b>	<b>924</b>	<b>(384)</b>	<b>1,587</b>	<b>1,044</b>	<b>(543)</b>	<b>8,281</b>	<b>4,912</b>	<b>(3,369)</b>
<b>Non Annuity Funded Spend</b>	<b>3</b>			<b>105</b>			<b>28</b>			<b>-</b>			<b>-</b>			<b>137</b>		
<b>Surplus (Deficit)</b>	<b>397</b>			<b>(1,936)</b>			<b>801</b>			<b>1,482</b>			<b>(104)</b>			<b>640</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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