

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



2016/17 Annual Network Service Plan

Upper Condamine Bulk Water

July 2016

Table of Contents

Introduction	3
Financial Summary	4
Water Data	5
Revenue	6
Routine Expenditure	7
Operations	7
Changes to Flood Operations	8
Preventive Maintenance	8
Corrective Maintenance	8
Routine Cost – Summary and Charts	11
Non-Routine Expenditure	12
Non-Routine Budget	13
Annuity Balance	15
Overview of Annuity Funded Non-Routine Projects 2013-41	16
Material Projects 2017-18	17
Material Projects 2019-23	17
Material Projects 2024-41	18
Appendix 1: Total Expenditure by Expense Type	19
Notes	21

Introduction

A recommendation from the 2013-17 review of SunWater's irrigation pricing was for SunWater to produce annual Network Service Plans (NSPs) to help keep customers informed throughout the pricing period. These annual NSPs will focus on both routine expenditure (opex) and non-routine expenditure. In particular, the NSPs will cover:

- past performance for routine opex and non-routine expenditure,
- forecast opex and non-routine for the approaching year, and
- the long-term outlook for material non-routine spend.

This NSP compares SunWater's actuals for 2013, 2014 and 2015, budget for 2016 and budget for 2017 to the targets from the QCA's final report. The 2013-16 figures are provided for information only, with the focus the budget figures for 2017. The 2017 budget has been finalised following customer and shareholder consultation.

SunWater values customer feedback and will publish all submissions and SunWater's responses on our website. Customers can provide their feedback via email or post using one of the following addresses:

Email: nspfeedback@sunwater.com.au

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

Financial Summary

Table 1: Operating Revenue Less Spend

Upper Condamine WS		2013	2014	2015	2016	2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000
Revenue	3	2,140	2,094	2,165	2,079	2,341
Less - Routine Expenditure	4 & 7	1,047	1,020	976	1,204	1,061
Less - Non-Routine Expenditure						
• Annuity Funded	5, 6 & 7	123	212	218	734	987
• Non Annuity Funded	5	-	-	-	-	-
Surplus (Deficit)		971	862	971	141	293

Table 1 is a high level summary of the budgeted financial performance of the service contract. This document provides further detail of the planned spend on routine functions and non-routine projects across the 2017 year together with an estimate of revenue expected to be generated.

Figure 1: Breakdown of Total Scheme Costs – 2017 Budget

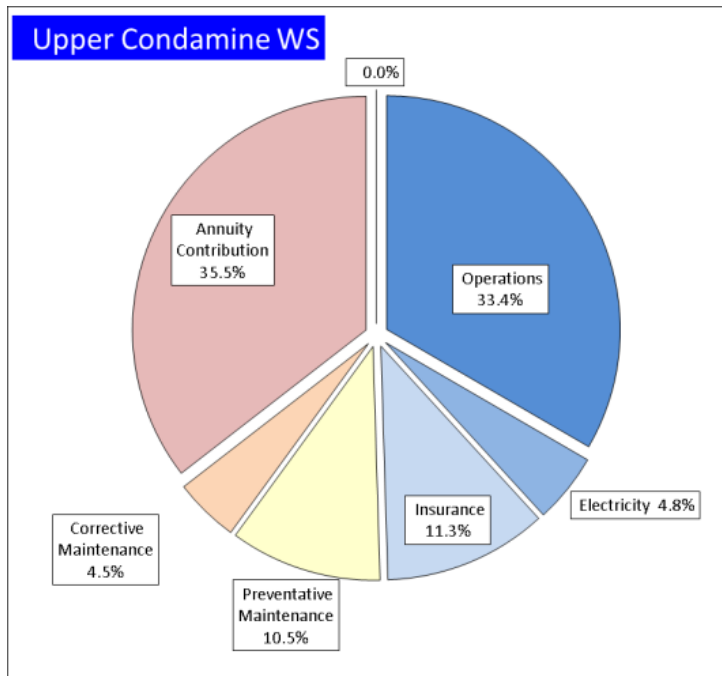


Figure 1 shows a high level summary of total scheme lower bound costs. These costs are apportioned to water entitlements in accordance with the methodology adopted by the QCA in their 2012 review of irrigation charges. The item “Annuity Contribution” refers to the annualised renewals annuity component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

Water Data

Table 2: Water Data

Scheme	Customer Segment	No. of Customers	Water Entitlements (ML)	High Water Priority (ML)	High-A Water Priority (ML)	High-B Water Priority (ML)	Medium Water Priority (ML)	Risk-A Water Priority (ML)	Risk-B Water Priority (ML)
Upper Condamine	2. Irrigation		30,363	0	0	0	22,165	7,320	878
	3. Urban		3,332	0	3,207	125	0	0	0
	4. Other		4	0	4	0	0	0	0
	5. SunWater		261	0	51	0	163	0	47
	Total	94	33,960	0	3,262	125	22,328	7,320	925

QCA Assumed Water Usage

54.1%

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 11%, High A Priority 86% and High B Priority 3% 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

Upper Condamine WS	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Forecast	Budget
	\$000	\$000	\$000	\$000	\$000
Irrigation	1,155	1,076	951	962	986
Industrial	17	33	10	53	-
Urban	929	975	1,128	1,006	1,349
Irrigation CSO	30	2	-	-	-
Revenue Transfers	-	-	-	-	-
Drainage	-	-	-	-	-
Other	10	7	0	6	6
Insurance Proceeds - Flood	-	-	76	53	-
Revenue Total	2,140	2,094	2,165	2,079	2,341

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 Condamine 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	597	638	41	466	667	201	490	667	177	656	662	7	549	668	119	82	2,758	3,302	544	84
Electricity	104	64	(40)	80	69	(12)	79	73	(5)	79	79	(0)	79	85	5	94	422	370	(52)	114
Insurance	129	69	(60)	234	70	(163)	166	72	(94)	170	73	(97)	186	74	(112)	252	886	358	(528)	247
Operations Total	831	771	(59)	780	806	26	734	812	77	905	815	(91)	814	827	13	98	4,065	4,030	(35)	101
Preventative Maintenance	155	176	21	228	184	(44)	211	184	(27)	214	182	(32)	173	183	10	95	981	908	(73)	108
Corrective Maintenance	61	73	12	11	76	64	30	76	46	85	76	(8)	74	77	3	96	261	378	117	69
Routine Total	1,047	1,020	(27)	1,020	1,066	46	976	1,072	96	1,204	1,073	(131)	1,061	1,087	26	98	5,307	5,317	9	100

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.

¹ 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 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

² Activities listed will not apply to all service contracts

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 emergency³:

- Scheduled corrective maintenance is maintenance that can be planned and scheduled, and includes:
 - Channels
 - De-silting channels and catch drains;
 - Erosion control and repair of rock protection works;
 - Repair fencing;
 - Repair concrete structures; and
 - Repair regulator gates, control valves, etc.
 - Drains
 - De-silting drains;
 - Erosion control and repair of rock protection works;
 - Repair fencing; and
 - Repair concrete structures.
 - Pipelines
 - Pipe breaks
 - Repair air valves, scour valves, etc.;
 - Erosion control and repair of rock protection works; and
 - Repair concrete structures.
 - Scheme Roads
 - Repair pot holes;
 - Grade roads; and
 - Repair, replace and paint guide posts and signs.
 - Pump stations
 - Repair pumps and motors;
 - De-silt intake structures;
 - Repair concrete structure; and

³ Activities listed will not apply to all service contracts.

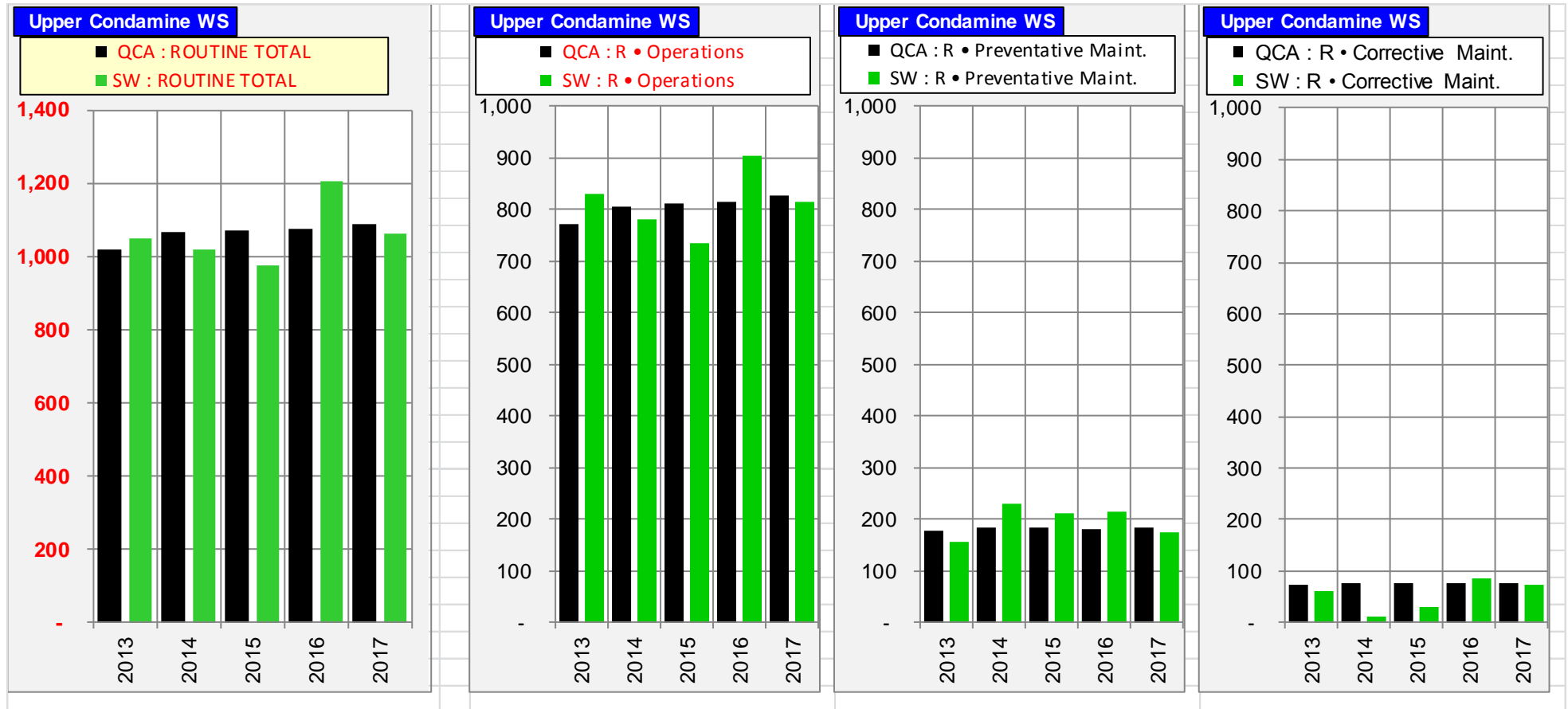
- Repair control building.
- Storages (balancing storages and reservoirs)
 - Repair control gates and valves;
 - Repair walls, embankments and spillways; and
 - Repair concrete structures.
- Meters
 - Repair bulk water meters; and
 - Repair customer meters.
- Emergency corrective maintenance is maintenance 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

Upper Condamine 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	-	-	-	-	-	-	-	-	-	-	-	-	37	-	(37)	-	37	-	(37)	-
Preventative Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrective Maintenance (Flood)	80	-	(80)	20	-	(20)	-	-	-	-	-	-	-	-	-	-	100	-	(100)	-
R&E	43	235	192	192	381	189	218	357	138	734	629	(105)	951	861	(90)	110	2,138	2,462	324	87
Non-routine Total	123	235	112	212	381	169	218	357	138	734	629	(105)	987	861	(127)	115	2,274	2,462	188	92
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: Repair pipeline with straub couplings as per options analysis - YARRAMALONG PUMP STATION	The Yarramalong pump station rising main leaks when 3 pumps are running. The area which leaks is adjacent to a road and it was identified during a risk assessment that this section will fail over time and has the potential to undermine the adjacent road. This is deemed an unacceptable risk to the public who use the road.	162
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
Refurbish: Remove Bypass and Filling line pipework and undertake Outlet Works Refurbishment – LESLIE DAM	The bypass pipework at Leslie Dam outlet works is old, rusty and at the end of its useful life. Rather than replace it, SunWater has determined that it would be a more economical solution to simply remove the pipework so we will never have the problem again. SunWater's Engineers have workshopped the solution and believe that this simple solution will be both safe and effective. As it also requires the main conduits to be emptied, we will opportunistically refurbish the guard valves - a recommendation from the 2014 5 yearly inspection.	87
Refurbish: Safety procedure for replacing Floodlights – LESLIE DAM	Develop safer working procedure or replace floodlights with easier to maintain system of lighting on Dam	72
Replace UPS - LESLIE DAM	The UPS System at Leslie dam is at the end of its economic life and cannot be relied upon to be failsafe. SunWater commissioned an independent electrical review and the report recommended replacement as soon as is practical. This report has been verified by SunWater's own electrical engineers.	65
Other works	There are 33 other non-routine projects for 2017 ranging from \$2,000 to \$63,000. Further detail was tabled at the IAC meeting.	502
Total		987

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

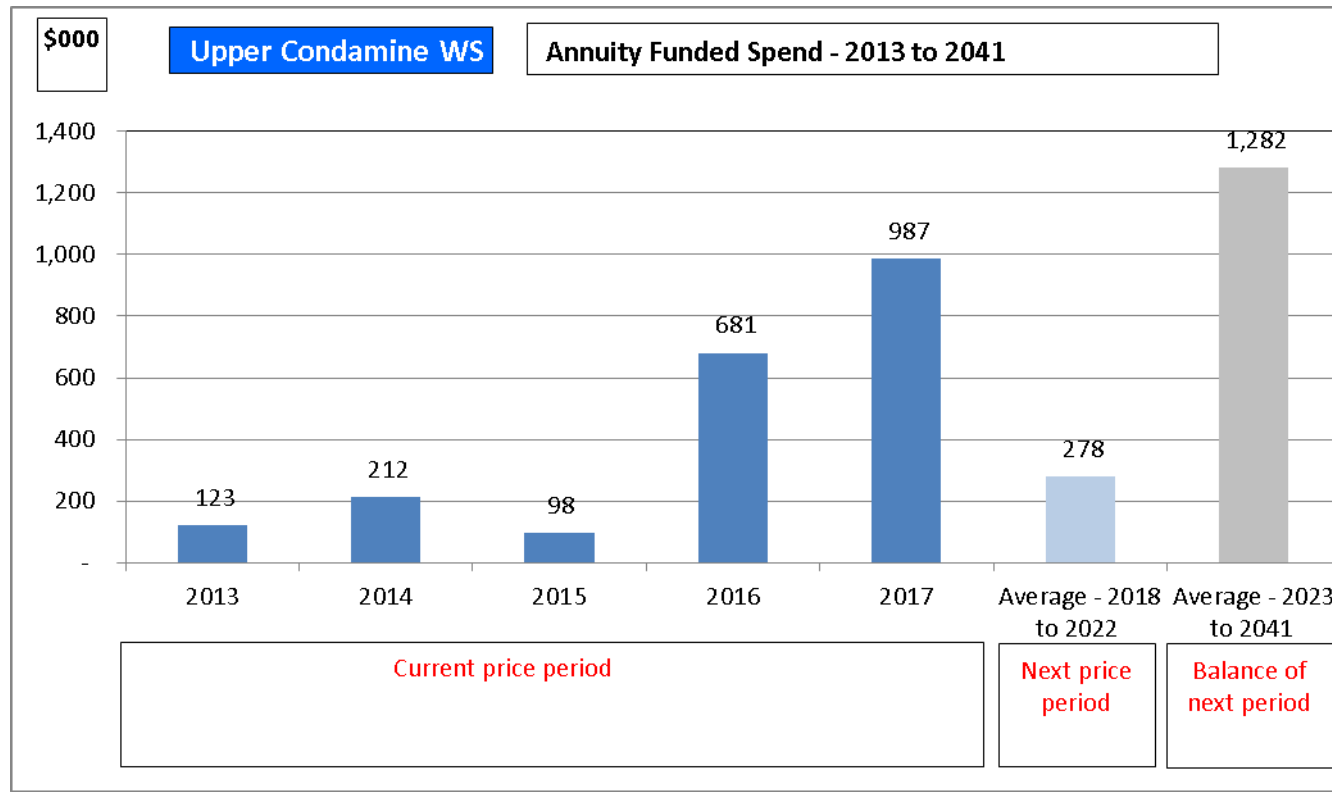
Upper Condamine WS		2013	2014	2015	2016	2017	2013 to 2017
	Table reference	Actual \$000	Actual \$000	Actual \$000	Forecast \$000	Budget \$000	Forecast \$000
Annuity							
Opening Balance		(1,505)	(1,196)	(948)	(560)	(706)	(1,505)
Net Spend	See below	(123)	(212)	(98)	(681)	(987)	(2,101)
Annuity Contribution		545	549	556	578	583	2,811
Interest		(113)	(90)	(71)	(42)	(53)	(368)
SunWater - Closing Balance		(1,196)	(948)	(560)	(706)	(1,163)	(1,163)
QCA - Closing Balance		(818)	(711)	(564)	(658)	(985)	(985)
Difference		(378)	(238)	4	(48)	(178)	(178)
Net Spend Analysis							
Spend	5 & 7	(123)	(212)	(218)	(734)	(987)	(2,274)
Insurance Proceeds Receipts							
• Prior Year		-	-	44	-	-	44
• Current Year		-	-	76	53	-	129
Net Spend		(123)	(212)	(98)	(681)	(987)	(2,101)

* 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

Study: 20yr Dam Safety Review – LESLIE DAM

Year: 2018

Current estimate: \$356k

Options analysis completed: No

Leslie 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 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: Comprehensive Risk Assessment update – 1yr After Safety Review (last occurred Jan 2010)

Year: 2019

Current estimate: \$202k

Options analysis completed: No

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.

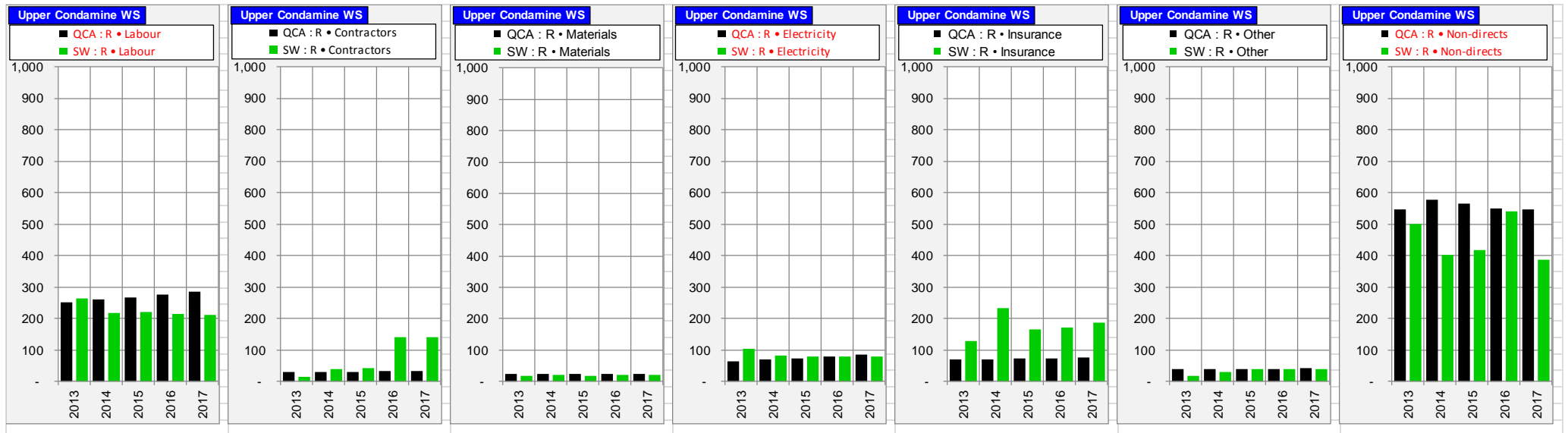
Appendix 1: Total Expenditure by Expense Type

Table 8: Expenditure for Activity by Type

Upper Condamine 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	2,140			2,094			2,165			2,079			2,341			10,819		
Routine Spend																		
Operations																		
Labour	194	181	(13)	148	186	38	148	192	44	143	198	55	140	205	65	773	962	189
Contractors	9	17	9	9	18	8	28	19	(9)	115	19	(96)	115	19	(96)	277	93	(184)
Materials	6	9	2	10	9	(1)	3	9	6	3	10	7	3	10	7	26	46	21
Electricity	104	64	(40)	80	69	(12)	79	73	(5)	79	79	(0)	79	85	5	422	370	(52)
Insurance	129	69	(60)	234	70	(163)	166	72	(94)	170	73	(97)	186	74	(112)	886	358	(528)
Other	17	34	18	23	35	12	25	36	10	31	36	6	31	37	6	126	178	51
Non-directs	372	397	26	275	419	143	285	411	126	364	399	35	260	397	137	1,556	2,023	467
	831	771	(59)	780	806	26	734	812	77	905	815	(91)	814	827	13	4,065	4,030	(35)
Preventative Maintenance																		
Labour	53	55	2	67	57	(10)	64	59	(5)	55	61	6	54	63	9	294	295	1
Contractors	3	1	(2)	29	1	(28)	9	1	(8)	19	1	(18)	19	1	(18)	79	5	(73)
Materials	4	3	(1)	8	3	(5)	7	3	(4)	3	3	0	3	3	0	25	16	(9)
Other	1	-	(1)	4	-	(4)	11	-	(11)	2	-	(2)	2	-	(2)	20	-	(20)
Non-directs	94	117	22	120	123	3	120	120	1	135	116	(19)	95	115	21	564	592	28
	155	176	21	228	184	(44)	211	184	(27)	214	182	(32)	173	183	10	981	908	(73)
Corrective Maintenance																		
Labour	17	15	(2)	3	16	13	7	16	10	17	17	(0)	17	17	0	61	82	21
Contractors	2	10	8	0	11	10	5	11	6	6	11	5	6	11	5	21	54	34
Materials	7	10	3	1	11	10	5	11	6	14	11	(3)	14	11	(3)	41	54	13
Other	0	3	3	1	3	2	1	3	3	5	3	(1)	5	3	(1)	11	16	5
Non-directs	34	34	(1)	6	35	30	13	35	22	43	34	(9)	31	33	2	126	171	44
	61	73	12	11	76	64	30	76	46	85	76	(8)	74	77	3	261	378	117
Routine - total	1,047	1,020	(27)	1,020	1,066	46	976	1,072	96	1,204	1,073	(131)	1,061	1,087	26	5,307	5,317	9
Non-Routine Spend																		
Labour	15	32	18	55	60	5	42	53	10	80	97	17	128	144	16	320	386	66
Contractors	34	62	29	18	77	59	59	54	(6)	324	132	(193)	495	150	(345)	930	475	(455)
Materials	41	49	7	35	68	32	33	59	26	47	117	70	68	160	92	224	452	228
Other	2	3	1	6	15	10	1	56	55	67	51	(16)	44	82	38	120	208	88
Non-directs	31	88	57	98	161	62	83	135	52	216	232	16	253	324	72	681	940	260
Non-Routine - Total	123	235	112	212	381	169	218	357	138	734	629	(105)	987	861	(127)	2,274	2,462	188
Total Regulated Spend	1,169	1,255	85	1,232	1,446	215	1,194	1,428	234	1,938	1,702	(236)	2,048	1,947	(101)	7,582	7,779	197
Non Annuity Funded Spend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit)	971	-	-	862	-	-	971	-	-	141	-	-	293	-	-	3,238	-	-

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

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