

SunWater Limited
Level 10, 179 Turbot Street
PO Box 15536 City East
Brisbane Queensland 4002
www.sunwater.com.au
ACN 131 034 985



2015 Annual Performance Report

Bundaberg Bulk

October 2015

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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. SunWater has decided to also produce annual Performance Reports such as this report to show how SunWater has performed against the QCA targets for the year just completed.

SunWater has revised the format for 2015 to incorporate customer feedback and to provide more detail on items such as insurance. The new format includes a summary of the annual expenditure and annual revenue to provide a snapshot of scheme performance across the year.

In line with customer feedback 2016 forecast data is also provided and compared with QCA targets. The forecast numbers reflect a minor realignment of SunWater's internal structure, which occurred after the 2016 budget was finalised, and vary from the Final 2016 NSPs published in June 2015. The variations are attributed to non-direct cost allocations.

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 at 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

| | Table reference | 2013 | 2014 | 2015 | 2016 |
|--------------------------------|-----------------|--------------|--------------|--------------|----------------|
| | | Actual \$000 | Actual \$000 | Actual \$000 | Forecast \$000 |
| Operating Revenue | 3 | 2,696 | 2,135 | 3,544 | 2,227 |
| Less - Routine Expenditure | 4 & 7 | 1,362 | 1,087 | 1,229 | 1,424 |
| Less - Non-Routine Expenditure | | | | | |
| • Annuity Funded | 5, 6 & 7 | 946 | 4,910 | 3,118 | 9,103 |
| • Not Annuity Funded | 5 | - | 3 | 8 | - |
| Surplus (Deficit) | | 388 | (3,866) | (811) | (8,299) |

Table 1 provides an indication of the annual cash performance of the scheme. Note that the table reports total non-routine spend and does not take into account the smoothing impact of the renewals annuity. Further information is provided below in each section of this report.

In the case of Bundaberg Bulk Water, the major cause of cash deficits is the cost of flood repairs.

Water Usage

Table 2 – 2015 Water Usage

| | No. of Customers | Water Entitlements | Available Water | Available Water | Water Deliveries | Water Deliveries | Water Deliveries |
|------------|------------------|--------------------|-----------------|-----------------|------------------|------------------|------------------|
| | | ML | ML | % | ML | % of Entitlement | % of Available |
| Industrial | | 386 | 887 | | 113 | | |
| Irrigation | | 199,105 | 211,322 | 106% | 93,475 | 47% | 44% |
| Urban | | 9,571 | 9,558 | | 3,373 | | |
| Other | | 46 | 46 | | 14 | | |
| SunWater | | 171,221 | 163,505 | | 18,829 | | |
| Total | 1,139 | 380,329 | 385,318 | 101% | 115,804 | 30% | 30% |

QCA Assumed Water Usage for Irrigation 41.4%

QCA Assumed Water Usage for Total 46.7%

* SunWater figures include Burnett Water

Water usage for irrigation is higher than the QCA assumed usage but consistent with expectations. Total water usage is low, but this figure includes the influence of unallocated Burnett Water.

Table 3 – Revenue

| | 2013 | 2014 | 2015 | 2016 |
|----------------------------|--------------|--------------|--------------|--------------|
| | Actual | Actual | Actual | Forecast |
| | \$000 | \$000 | \$000 | \$000 |
| Irrigation | 250 | 431 | 440 | 450 |
| Industrial | 0 | - | - | - |
| Urban | 722 | 599 | 618 | 634 |
| Irrigation CSO | - | - | - | - |
| Revenue Transfers | 1,712 | 1,105 | 1,101 | 1,130 |
| Drainage | - | - | - | - |
| Other | 13 | 1 | 10 | 13 |
| Insurance Proceeds - Flood | - | - | 1,376 | - |
| | 2,696 | 2,135 | 3,544 | 2,227 |

* 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 will 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 3 – Routine Operating Expenditure

| | 2013 | | | | 2014 | | | | 2015 | | | | 2016 | | | |
|--------------------------|-----------------|------------------|----------------|-------------|-----------------|------------------|----------------|-------------|-----------------|------------------|----------------|-------------|-------------------|------------------|----------------|-------------|
| | SW Actual \$000 | QCA Target \$000 | Variance \$000 | % of target | SW Actual \$000 | QCA Target \$000 | Variance \$000 | % of target | SW Actual \$000 | QCA Target \$000 | Variance \$000 | % of target | SW Forecast \$000 | QCA Target \$000 | Variance \$000 | % of target |
| Operations - Other | 917 | 624 | (293) | 147 | 622 | 649 | 26 | 96 | 758 | 652 | (106) | 116 | 695 | 649 | (46) | 107 |
| Operations - Electricity | 5 | 9 | 4 | 52 | 6 | 10 | 4 | 60 | 5 | 11 | 5 | 48 | 4 | 11 | 7 | 36 |
| Operations - Insurance | 186 | 98 | (88) | 190 | 334 | 100 | (234) | 335 | 233 | 101 | (131) | 230 | 239 | 103 | (136) | 231 |
| | 1,108 | 731 | (377) | 152 | 963 | 758 | (204) | 127 | 996 | 764 | (232) | 130 | 938 | 763 | (175) | 123 |
| Preventative Maintenance | 132 | 333 | 201 | 40 | 93 | 347 | 254 | 27 | 176 | 348 | 172 | 51 | 337 | 346 | 8 | 98 |
| Corrective Maintenance | 122 | 132 | 9 | 93 | 32 | 137 | 105 | 23 | 57 | 139 | 82 | 41 | 149 | 139 | (9) | 107 |
| Routine Total | 1,362 | 1,196 | (166) | 114 | 1,087 | 1,242 | 155 | 88 | 1,229 | 1,251 | 22 | 98 | 1,424 | 1,248 | (175) | 114 |

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;
- 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; and
- Manage public relations associated with the scheme.

The operations expenditure in 2015 was \$996k, or 30%, above the QCA target. The major exceptions and highlights with operation activities for the year included:

- Insurance premium costs remain \$131k higher than target. Sunwater has had some success in negotiating improved insurance premiums compared to 2014, however the insurance market continues to price flood risks at higher levels than prevailed when the QCA set prices in 2012;
- Electricity costs are not a major cost within the scheme and remains within the QCA target; and
- Ned Churchward Weir, which has a fully automated electro-hydraulic control system for the fish lock, was not operational for a portion of this reporting period which resulted in reduced maintenance requirements.

Preventive Maintenance

Preventive maintenance is maintaining the ongoing operational performance and service capacity of physical assets to designed 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 includes¹:

- 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;

¹ Activities listed will not apply to all service contracts.

- 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; and
 - Spraying and other activities to control operational and noxious weeds within channel and drainage reserves.

Preventive maintenance for 2015 was \$172k (49%) below the QCA’s target. The major exceptions and highlights with preventive maintenance activities for the year included:

- Most facilities were still under repair from the January 2013 floods and as such were not operating in their normal capacity. There was a significant reduction in preventive maintenance due to their non-operational status;
- Preventive maintenance activities for the operational facilities encompassed routine servicing of valves, electrical and mechanical equipment and weed control; and
- The maintenance plan for this scheme was under review in 2014/15 and a number of maintenance activities were rescheduled resulting in an under-spend in this year’s budget.

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:
 - Scheme Roads
 - Repair pot holes;
 - Grade roads; and
 - Repair, replace and paint guide posts and signs.
 - 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 was \$82k (59%) below the QCA’s target for 2015. The major exceptions and highlights with corrective maintenance activities for the year included:

- Some facilities, such as Ned Churchward Weir, were still under repair from the January 2013 floods and as such were not operating in their normal capacity. There was a significant reduction in corrective maintenance do to their non-operational status;
- Repairs to gauging stations on the Kolan and Burnett Rivers; and
- Civil repairs at Fred Haigh Dam during the 5-yearly inspection.

² Activities listed will not apply to all service contracts.

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 2015; 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 estimated program of works from the 2010-11 year. While this was the best estimate of expected work at the time, there has been significant project churn in the three years since this estimate was made. This can mean that, in some cases, the QCA's funding allowance for renewals work 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.

There have been significant corrective works in this service contract with another \$7m of expenditure planned to repair damage at Ben Anderson Barrage in 2015. Corrective works are unplanned and were not allowed for in the QCA's targets. Consequently, it is clear that non-routine expenditure will exceed the QCA's target for the 2013-17 price path.

Table 4 – Non-Routine Expenditure

| | 2013 | | | | 2014 | | | | 2015 | | | | 2016 | | | |
|---------------------------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|----------|--------|----------|--------|
| | SW | QCA | | % | SW | QCA | | % | SW | QCA | | % | SW | QCA | | % |
| | Actual | Target | Variance | of | Actual | Target | Variance | of | Actual | Target | Variance | of | Forecast | Target | Variance | of |
| | \$000 | \$000 | \$000 | target | \$000 | \$000 | \$000 | target | \$000 | \$000 | \$000 | target | \$000 | \$000 | \$000 | target |
| Annuity Funded | | | | | | | | | | | | | | | | |
| R&E | 217 | 364 | 147 | 60 | 289 | 198 | (91) | 146 | 472 | 252 | (219) | 187 | 437 | 541 | 105 | 81 |
| Corrective Maintenance | 728 | - | (728) | - | 4,621 | - | (4,621) | - | 2,647 | - | (2,647) | - | 8,666 | - | (8,666) | - |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 946 | 364 | (581) | 259 | 4,910 | 198 | (4,712) | 2,480 | 3,118 | 252 | (2,866) | 1,235 | 9,103 | 541 | (8,562) | 1,681 |
| Non Annuity Funded | - | - | - | - | 3 | - | - | - | 8 | - | - | - | - | - | - | - |

R&E – Annuity Funded

The annuity funded R&E direct spend was \$472k, which was \$219k over QCA's target. Projects undertaken included:

- Install Load Limiting Device on Hoist - Ben Anderson Barrage: This work was to install a load limiting device on the gantry crane at Ben Anderson Barrage to make the crane compliant with current safety standards.
- Replace Baffle Supports – Fish Ladder - Ben Anderson Barrage: This project was to replace the baffle supports at the barrage to ensure fish passage was retained. A condition and risk assessment determined that the baffles could collapse if the supports were not replaced.
- Bucca Weir - Install Redesigned Nut and Spindle on Gate: Based on design reviews at Bucca Weir, it was found that the Intake structure was unable to be used to dewater the conduit. Therefore, the penstock gate at the conduit inlet cannot be isolated easily for repairs. The current design of the gate was unreliable and had failed on testing. An alteration was designed that enhances the reliability of the gate and also raises the failure points to the platform level of the inlet structure making them more accessible for repair and lowering any associated risk.

- Refurbish 10 Shutters - Ben Anderson Barrage: This project is a reoccurring project for the refurbishment of 10 shutters at the barrage. This intends to stop the advance of corrosion. The onset of the corrosion can be attributed to two major factors as the downstream side of the Barrage is salt water which accelerates corrosion, and also as flood waters pass, the upstream side tends to get 'sand blasted' with flood debris thereby damaging the protective coatings and allowing the onset of corrosion. This tends to continually corrode the shutters, thus requiring annual refurbishment in order to maintain their operability.
- Redesign Hatch Seals OLB - Fred Haigh Dam (Option/Design 2014, Install 2015): This project was to redesign the Hatches for the outlet building at Fred Haigh Dam. This is a 'moderate' risk item, as operations can be affected due to flooding of the electrical control systems and the piezometer gauges within the valve house. The prior condition of the valve house hatches was poor and displayed serious leaks during inundation. The new design is also capable of passing a flood that backs up the tail water to approximately EL 47.0m AHD which is 1.3m higher than the 2013 Flood event.
- Study: Engineering options analysis to replace intake tower gantry crane: This project was a study into the options for craning on the intake tower at Fred Haigh Dam. Previous crane maintenance inspections had recommended replacement of the crane before continued use. The bridge to the intake tower was also under review with the load limit having been temporarily been set, which also limited the size of mobile crane on the bridge. This project first investigated the load limit of the bridge, and then investigated the need for a fixed crane, and finally investigated the options for mobile crane use including the full risk workshop. The outcome of the project was that the bridge can take its original design load subsequent to a positive conditional assessment by an engineer and that mobile crane is an acceptable risk. Future project will be to have the bridge condition inspected and remove the existing crane.
- Inspection (5 Yearly) Comprehensive - Bucca Weir (incl. ROV inspect gate): This 5 Yearly Comprehensive Inspection was conducted in line with SunWater's inspection program based on risk. Some weirs require annual inspections due to their importance for their respective irrigation scheme. The inspection was completed including underwater inspection using a Remote Operated Vehicle (ROV). No concerns for the structural integrity of the structure were identified.

Corrective Maintenance

The annuity funded corrective maintenance spend was \$2,647k, which was not budgeted for. Projects undertaken included:

- FD01 (2013) - Fred Haigh Dam; Flood Damage repairs to D/S Channel: This work was to remove debris deposited in the downstream river bed following the 2013 floods to ensure future floods are able to be passed safely. The deposited debris was considered a potential hazard to the dam and adjacent pump station if left in place.
- FD01 (2013) Flood Damage Repairs at Ben Anderson Barrage: This project was to complete all the flood damage repairs associated with the February 2013 Flood Event at Ben Anderson Barrage. Major works associated with the project are reinstating the cathodic protection system and refurbishing the upstream protection works. Works for these major items began in May 2015 and are scheduled to be completed November 2015.

Other

There was no annuity funded Other spend in 2015.

R&E – Non Annuity

The Non-annuity funded R&E direct spend was \$8k. Projects undertaken included:

- Install new customer meter @ Lot 5 RP883115: This is a customer funded new metered river offtake. The project includes design and supply of a new AS4747 compliant meter which is installed by the customer. Upon completion of the installation by the customer, certification by an approved certifier is provided to SunWater.
- Install new customer meter @ Lot 2 RP182182 - Burnett River: This is a customer funded new metered river offtake. The project includes design and supply of a new AS4747 compliant meter which is installed by the customer. Upon completion of the installation by the customer, certification by an approved certifier is provided to SunWater.

Annuity Balance

The 2015 annuity balance is shown below.

Table 5 – Annuity Balance

| | Table reference | 2013 | 2014 | 2015 | 2016 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| | | Actual \$000 | Actual \$000 | Actual \$000 | Forecast \$000 |
| Annuity | | | | | |
| Opening Balance | | (2,771) | (3,363) | (7,952) | (9,368) |
| Net Spend | See below | (946) | (4,910) | (1,406) | (9,103) |
| Annuity Income | | 561 | 574 | 585 | 599 |
| Interest | | (208) | (252) | (596) | (702) |
| SunWater - Closing Balance | | (3,363) | (7,952) | (9,368) | (18,573) |
| QCA - Closing Balance | | (1,764) | (1,521) | (1,302) | (1,342) |
| Difference | | (1,599) | (6,431) | (8,066) | (17,231) |
| Net Spend Analysis:- | | | | | |
| Spend | 5 & 7 | (946) | (4,910) | (3,118) | (9,103) |
| Insurance Proceeds Receipts | | | | | |
| • Prior Year | | - | - | 337 | - |
| • Current Year | | - | - | 1,376 | - |
| Net Spend | | (946) | (4,910) | (1,406) | (9,103) |

* 2016 figures are subject to change once actual spend is known.

Insurance claims on repairs to scheme infrastructure as a result of floods are still pending.

Appendix – Total Expenditure by Expense Type

**Table 7 – Detailed Financial Summary
(Including Expenditure for Activity by Type)**

| | 2013 | | | 2014 | | | 2015 | | | 2016 | | |
|---------------------------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|-------------------|------------------|----------------|
| | 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 |
| Operating Revenue | 2,696 | | | 2,135 | | | 3,544 | | | 2,227 | | |
| Routine Spend | | | | | | | | | | | | |
| Operations | | | | | | | | | | | | |
| Labour | 272 | 167 | (106) | 156 | 172 | 16 | 229 | 178 | (51) | 160 | 183 | 24 |
| Contractors | 29 | 29 | 0 | 9 | 30 | 21 | 54 | 31 | (23) | 43 | 32 | (11) |
| Materials | 6 | 12 | 6 | 3 | 13 | 10 | 2 | 13 | 11 | 1 | 13 | 12 |
| Electricity | 5 | 9 | 4 | 6 | 10 | 4 | 5 | 11 | 5 | 4 | 11 | 7 |
| Insurance | 186 | 98 | (88) | 334 | 100 | (234) | 233 | 101 | (131) | 239 | 103 | (136) |
| Other | 56 | 54 | (2) | 141 | 55 | (86) | 127 | 56 | (72) | 57 | 57 | (0) |
| Non-directs | 554 | 362 | (192) | 313 | 379 | 66 | 346 | 375 | 29 | 434 | 363 | (71) |
| | 1,108 | 731 | (377) | 963 | 758 | (204) | 996 | 764 | (232) | 938 | 763 | (175) |
| Preventative Maintenance | | | | | | | | | | | | |
| Labour | 37 | 98 | 60 | 33 | 101 | 68 | 59 | 104 | 45 | 66 | 107 | 41 |
| Contractors | 13 | 5 | (8) | 5 | 5 | (0) | 3 | 5 | 3 | 101 | 6 | (96) |
| Materials | 7 | 28 | 21 | 4 | 29 | 25 | 4 | 30 | 26 | 2 | 30 | 29 |
| Other | 1 | 4 | 3 | 2 | 4 | 2 | 4 | 4 | (0) | 3 | 4 | 1 |
| Non-directs | 74 | 199 | 125 | 49 | 209 | 160 | 107 | 205 | 99 | 165 | 199 | 33 |
| | 132 | 333 | 201 | 93 | 347 | 254 | 176 | 348 | 172 | 337 | 346 | 8 |
| Corrective Maintenance | | | | | | | | | | | | |
| Labour | 31 | 27 | (4) | 10 | 27 | 17 | 12 | 28 | 16 | 17 | 29 | 13 |
| Contractors | 4 | 15 | 11 | 0 | 16 | 15 | 14 | 16 | 2 | 78 | 17 | (62) |
| Materials | 16 | 25 | 8 | 4 | 25 | 21 | 7 | 26 | 19 | 6 | 27 | 21 |
| Other | 0 | 9 | 9 | 0 | 9 | 9 | 0 | 10 | 9 | 3 | 10 | 7 |
| Non-directs | 70 | 56 | (14) | 17 | 59 | 42 | 24 | 58 | 35 | 45 | 56 | 11 |
| | 122 | 132 | 9 | 32 | 137 | 105 | 57 | 139 | 82 | 149 | 139 | (9) |
| Routine - total | 1,362 | 1,196 | (166) | 1,087 | 1,242 | 155 | 1,229 | 1,251 | 22 | 1,424 | 1,248 | (175) |
| Non-Routine Spend | | | | | | | | | | | | |
| Labour | 155 | 66 | (89) | 319 | 1 | (318) | 389 | 9 | (380) | 368 | 104 | (265) |
| Contractors | 406 | 49 | (357) | 3,620 | 0 | (3,620) | 1,837 | 5 | (1,833) | 7,461 | 79 | (7,382) |
| Materials | 53 | 61 | 8 | 70 | 0 | (70) | 4 | 5 | 1 | 4 | 94 | 90 |
| Other | 44 | 31 | (13) | 124 | 1 | (123) | 75 | 3 | (72) | 1 | 52 | 51 |
| Non-directs | 287 | 157 | (130) | 776 | 196 | (580) | 814 | 231 | (583) | 1,268 | 213 | (1,055) |
| Non-Routine - Total | 946 | 364 | (581) | 4,910 | 198 | (4,712) | 3,118 | 252 | (2,866) | 9,103 | 541 | (8,562) |
| Total Regulated Spend | 2,308 | 1,560 | (747) | 5,997 | 1,440 | (4,557) | 4,348 | 1,503 | (2,844) | 10,527 | 1,789 | (8,737) |
| Non Annuity Funded Spend | - | | | 3 | | | 8 | | | - | | |
| Surplus (Deficit) | 388 | | | (3,866) | | | (811) | | | (8,299) | | |

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 pricing were presented in real dollars (2011\$). To convert the QCA reported real dollars to nominal dollars, multiply by the following factors; these 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 8 – 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 | - |

Disclaimer

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