

# SunWater Water Supply Schemes

2012-2017 Price Paths

Analysis of SunWater's Forecast Total Cost

2006-07 to 2010-11



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## MANAGEMENT SUMMARY

### Background & Scope

Indec Consulting has been engaged by the Queensland Competition Authority (the Authority) to complete an analysis of SunWater's 2006-07 to 2010-11 Forecast Total Costs relating to irrigation services to deliver the following outputs:

- ▶ provide the Authority with an electronic file containing relevant details of SunWater's total forecast expenditure, including efficiency gains (proposed by the Tier 1 Group) and the annual rate of cost escalation applied to the period 2006-07 to 2010-11 at the service contract level i.e. bulk supply and distribution.
- ▶ determine whether:
  - ▶ SunWater implemented previously proposed efficiency gains;
  - ▶ SunWater reduced its cost base to reflect the loss of SEQ water responsibilities; and
  - ▶ SunWater's proposed costs for the 2011-16 price paths reflect previously anticipated efficiency gains based upon an analysis of actual and forecast costs for the previous period.

The scope associated with delivering the outputs to the Authority required Indec to undertake a high level analysis at the SunWater activity level to determine if the above outcomes have been achieved by SunWater. The activity level involves five key cost activities as defined by SunWater's Network Service Plans.

### Methodology

Indec's analysis contained within this report is based on the forecasts prepared by SunWater during the negotiation process with customer representatives to set the 2006-07 to 2010-11 irrigation price paths. The outcomes of this negotiation process, including the forecast total costs for the period 2006-07 to 2010-11 or the lower bound cost targets, were documented in the report titled *SunWater Irrigation Price Paths 2006/07 - 2010/11 Final Report*.

The analysis within this report has considered the SunWater business restructure which occurred in 2006 and the data collection restructure which occurred in 2007 on the implementation of the Business Operating Model (BOM). This required Indec to restructure the 2006-07 to 2010-11 forecast data based on a water supply scheme basis to match the current data reporting structures based on a service contract format. The restructuring and data mapping of the forecast data is further explained in Section 2.5 of this report.

All financial data presented in this report are expressed in 2010/11 dollars unless otherwise indicated.

## **Issues Impacting on Analysis and Interpretations**

The analysis and the interpretation of the results in this report need to consider the issues associated with the change in indirect and overhead allocation and the treatment of the efficiency savings.

### **Indirect and Overhead Cost Allocation**

The scope of this review did not require Indec to consider the impacts associated with the change in SunWater's indirect and overhead cost allocation methodology. Hence, no adjustments have been made by Indec to the forecast cost data to broadly replicate the current indirect and overhead allocation methodology.

Section 2.3 of this report outlines the issues which are likely to arise from the change in the indirect and overhead allocation methodology, making a comparison between forecast data and actual data problematic. Potential biases may arise from the change in the indirect and overhead allocation methodologies which contributes to variances above those arising from a change in absolute level of indirect and overhead costs.

### **Efficiency Savings**

The 2006/07 to 2010/11 lower bound cost targets as set by the price negotiation process included annual efficiency savings targets determined by Indec. These targets have been included in the forecast data for the purposes of this analysis and have been applied to each activity consistent with the approach applied by Indec in developing the recommended annual targets.

Indec did not recommend how the savings should be achieved, rather it provided a guide rather than a prescriptive direction to SunWater on how it could operate efficiently. Indec stated in its recommendations that the final distribution of savings among individual cost centres and activities should be at the absolute discretion of SunWater.

As explained in Section 2.6 of this report, a direct comparison of forecast costs and actual costs at the activity level will include variances resulting from SunWater adopting a different approach to implementing any efficiency savings to that implied by the adjustments made to the forecast data based on Indec's methodology to develop the efficiency targets.

### **Feedback from SunWater**

Indec provided SunWater with the opportunity to review the Draft Report and provide feedback on Indec's analysis and conclusions. SunWater's feedback on the Draft Report identified that due to the accounting treatment of certain costs relating to flood repairs and dam safety, Indec's analysis may have double counted these costs to the value of \$2.8m in 2009, \$0.4m in 2010 and \$3.9m in 2011. Any impacts of double counting of costs may not have an effect on all service contracts. Insufficient time was available to Indec to fully investigate this issue prior to finalising this Final Draft Report.

## Analysis of Forecast Total Costs 2006-07 to 2010-11

Indec provided the Authority with an electronic file containing the forecast costs at a sub-activity level which formed the basis of the 2006-07 to 2010-11 irrigation price paths. This data set included the efficiency gains as agreed during the price negotiations with the Tier 1 Group to set the 2006-07 to 2010-11 irrigation price paths. The 2006-07 to 2010-11 cost forecasts were based in 2005/06 dollars and did not include any annual rate of cost escalations.

## Implementation of 2006-07 to 2010-11 Proposed Efficiency Gains

Based on Indec's analysis of forecast and actual costs, SunWater operated below the annual efficient forecast total expenditure target during the two year period from 2006-07 to 2007-08 and operated above the annual efficient forecast total cost expenditure for the three year period between 2008-09 to 2010-11. The actual total expenditure below forecast efficient costs was 7% or \$4.3m in 2006-07 and 9% or \$5.3m in 2007-08. The actual total expenditure above the forecast level ranged from 6% or \$3.4m in 2008-09 to 27% or \$14.7m in 2010-11.

Figure m.1 below details the adjusted forecasts compared against the actual results in real 2010/11 dollars for each expenditure activity. This comparison is based on the current 30 service contract structure which required the 2005-06 to 2010-11 efficient costs to be adjusted to reflect SunWater's new reporting structure.

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	10,789,775	10,505,215	11,885,055	13,447,988	13,411,621	15,417,781	14,651,884	13,909,837	13,819,208	13,642,626
Electricity	5,936,515	4,970,638	4,634,325	6,863,897	3,424,090	8,178,359	8,178,359	8,178,359	8,178,359	8,178,359
Preventative Maintenance	5,190,042	4,399,368	4,796,846	5,272,363	4,505,234	5,279,040	5,208,677	5,124,317	5,177,380	5,098,217
Corrective Maintenance	4,178,637	5,883,751	5,513,790	4,417,932	7,558,420	3,357,719	3,317,549	3,339,474	3,548,562	3,441,843
Revenue Offsets	-3,135,550	-3,040,709	-3,057,316	-2,876,037	-2,584,107	-844,095	-844,095	-844,095	-844,095	-844,095
Indirects & Overheads	23,042,988	20,098,321	21,560,592	19,598,456	22,109,406	19,876,140	18,371,512	17,313,162	16,954,908	16,900,605
<b>Total Operating Costs</b>	<b>46,002,407</b>	<b>42,816,584</b>	<b>45,333,293</b>	<b>46,724,599</b>	<b>48,424,664</b>	<b>51,264,942</b>	<b>48,883,886</b>	<b>47,021,053</b>	<b>46,834,321</b>	<b>46,417,553</b>
R & E (Direct)	6,509,853	6,319,567	9,600,791	14,141,134	15,546,366	7,687,924	7,966,022	7,640,709	7,982,164	7,137,475
R & E (Non-Direct)	2,148,411	2,440,235	3,144,264	5,191,635	4,245,571	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>8,658,264</b>	<b>8,759,802</b>	<b>12,745,056</b>	<b>19,332,769</b>	<b>19,791,937</b>	<b>7,687,924</b>	<b>7,966,022</b>	<b>7,640,709</b>	<b>7,982,164</b>	<b>7,137,475</b>
<b>Total Expenditure</b>	<b>54,660,671</b>	<b>51,576,387</b>	<b>58,078,349</b>	<b>66,057,368</b>	<b>68,216,602</b>	<b>58,952,867</b>	<b>56,849,908</b>	<b>54,661,761</b>	<b>54,816,484</b>	<b>53,555,028</b>

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-4,628,006	-4,146,670	-2,024,782	-371,220	-231,005	-30%	-28%	-15%	-3%	-2%
Electricity	-2,241,844	-3,207,720	-3,544,034	-1,314,461	-4,754,269	-27%	-39%	-43%	-16%	-58%
Preventative Maintenance	-88,998	-809,309	-327,471	94,983	-592,982	-2%	-16%	-6%	2%	-12%
Corrective Maintenance	820,919	2,566,202	2,174,316	869,371	4,116,578	24%	77%	65%	24%	120%
Revenue Offsets	-2,291,455	-2,196,613	-2,213,221	-2,031,942	-1,740,012	271%	260%	262%	241%	206%
Indirects & Overheads	3,166,848	1,726,809	4,247,430	2,643,548	5,208,801	16%	9%	25%	16%	31%
<b>Total Operating Costs</b>	<b>-5,262,535</b>	<b>-6,067,301</b>	<b>-1,687,760</b>	<b>-109,721</b>	<b>2,007,112</b>	<b>-10%</b>	<b>-12%</b>	<b>-4%</b>	<b>-0%</b>	<b>4%</b>
R & E (Direct)	-1,178,071	-1,646,455	1,960,083	6,158,970	8,408,890	-15%	-21%	26%	77%	118%
R & E (Non-Direct)	2,148,411	2,440,235	3,144,264	5,191,635	4,245,571	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>970,340</b>	<b>793,780</b>	<b>5,104,347</b>	<b>11,350,605</b>	<b>12,654,462</b>	<b>13%</b>	<b>10%</b>	<b>67%</b>	<b>142%</b>	<b>177%</b>
<b>Total Expenditure</b>	<b>-4,292,196</b>	<b>-5,273,521</b>	<b>3,416,587</b>	<b>11,240,884</b>	<b>14,661,573</b>	<b>-7%</b>	<b>-9%</b>	<b>6%</b>	<b>21%</b>	<b>27%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

**Figure m.1 SunWater Total Costs – Comparison of Actual Costs v Forecast Costs (2010/11 real \$)**

Section 3.3 of this report provides further details and includes an analysis of controllable costs, which excludes electricity, revenue offsets and Reburishment and Enhancement (R&E) cash spend.

Controllable costs include those costs which management have a significant level of influence over which was of particular focus during the Indec efficiency review for the 2005-06 to 2010-11 price path.

Similar to the outcomes observed from the analysis of Total Expenditure in Figure m.1, over the five year period SunWater operated below the annual efficient controllable operating cost target in two of the five years, with actual expenditure of controllable operating costs above the efficient forecasts in the other three years.

In summary:

- ▶ During the two year period from 2006-07 to 2007-08, SunWater operated below the annual efficient controllable operating cost forecast, with actual expenditure below the efficient forecast of 2% or \$0.7m in each year.
- ▶ From 2008-09 to 2010-11, or the remaining three year period, the actual controllable operating expenditure was above the efficient forecast costs ranging from 8% or \$4.1m in 2008-09 to 22% or \$8.5m in 2010-11.

Section 3.3.2 of this report details the analysis at the service contract level showing that:

- ▶ 12 service contracts experienced total expenditure (including R&E cash spend) above forecasts for 3 or more years;
- ▶ 18 service contracts experienced total expenditure (including R&E cash spend) below the forecasts for 3 or more years;
- ▶ 13 service contracts experienced operating expenditure (excluding R&E cash spend) above forecasts for 3 or more years; and
- ▶ 17 service contracts experienced operating expenditure (excluding R&E cash spend) below forecasts for 3 or more years.

#### **Impacts on SunWater's Costs after transfer of Schemes to Seqwater**

Indec's analysis concludes that SunWater's cost base has reduced after the transfer of schemes to Seqwater in 2008. The transfer of 40 SunWater employees to Seqwater and other costs associated with the transferred schemes such as the use of contractors, materials and other expenses such as insurance, local authority rates and land tax have reduced SunWater's cost base. Section 3.4 provides further details on the analysis completed by Indec.

The analysis completed by Indec further concludes that no adverse impacts can be observed on the share of allocated indirect and overhead costs made to irrigation based service contracts since the transfer of water supply schemes to Seqwater in 2008/09. Section 3.4.2 of this report includes further analysis to support this conclusion.

### Comparison of 2010/11 Efficient Costs to 2012/13 to 2016/17 Forecast Costs

Indec has undertaken a comparative analysis at the SunWater total level and for each of the 30 relevant service contracts, to compare the cost forecasts for the 2011-12 to 2016-17 irrigation price with the 2010/11 efficient cost base set during the 2006-07 to 2010-11 irrigation price paths.

Indec's analysis in this report has not considered if SunWater's cost estimates are efficient nor has the scope of Indec's analysis included an assessment of SunWater's obligations, both in terms of regulatory and customer service standards, or a review of operation conditions and business practices to understand if any change to SunWater's efficient cost base is warranted since the previous irrigation price review. The operating environment, technology improvements, regulatory and customer driven obligations may have changed since the previous price review which could impact on SunWater's efficient cost base.

Figure m.2 below details the efficient cost forecast for the 2010-11 year at the SunWater total level as determined during the setting of the 2006-07 to 2010-11 irrigation price paths and compares this against the forecasts costs for the 2011-12 and 2016-17 period. The analysis in Figure m.3 excludes electricity costs and R&E cash spend to focus on controllable operating costs. This comparison is based on the current 30 service contract structure which required the 2010-11 efficient costs to be adjusted to reflect SunWater's new reporting structure.

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	13,642,626	12,398,027	12,497,887	12,524,347	12,553,521	12,540,428	12,525,267
Preventative Maintenance	5,098,217	6,074,480	6,146,463	6,184,339	6,221,044	6,258,674	6,270,134
Corrective Maintenance	3,441,843	3,716,410	3,764,606	3,798,404	3,837,351	3,878,599	3,897,110
Revenue Offsets	-844,095	-2,604,000	-2,584,000	-2,584,000	-2,578,000	-2,558,000	-2,543,000
Indirects & Overheads	16,900,605	19,448,083	20,887,044	21,499,911	21,286,084	20,610,300	19,955,489
<b>Total</b>	<b>38,239,194</b>	<b>39,033,000</b>	<b>40,712,000</b>	<b>41,423,000</b>	<b>41,320,000</b>	<b>40,730,000</b>	<b>40,105,000</b>
\$ Variance to 2011 Forecast		793,806	2,472,806	3,183,806	3,080,806	2,490,806	1,865,806
% Variance to 2011 Forecast		2.1%	6.5%	8.3%	8.1%	6.5%	4.9%

**Figure m.2 Controllable Operating Costs Efficiency savings analysis (2010/11 real \$)**

Figure m.2 shows that the forecasts from the 2012 year onwards are at least 2.1% or \$0.8m above the 2011 efficient forecast costs and from 2013 to 2017 the forecast costs are between 4.9% or \$1.9m and 8.3% or \$3.2m above the 2011 efficient forecast costs.

Indec does not infer from this analysis that SunWater should reduce its costs over the 2011/12 to 2016/17 period to the level of efficient costs determined for the 2010/11 year. Further analysis would be required to justify and support such an inference. Such an assessment would require a detailed efficiency review based on an in depth analysis of costs, operating and management practices, business structure, regulatory and customer service standards to assess the appropriate level of cost inputs to produce the given or assumed level of outputs.



Section 3.5.2 of this report details the analysis which shows that 14 service contracts involve 2011/12 to 2016/17 forecast costs above the efficient level of 2010/11 forecast costs in all years with a further service contract above the efficient level of 2010/11 forecast costs in five of the six years. On the other hand, 14 service contracts have 2011/12 to 2016/17 forecast costs below the efficient level of 2010/11 forecast costs in all years with a further service contract below the efficient level of 2010/11 forecast costs in five years over the six year period.

### **Bulk Supply and Distribution Service Contracts**

The comparisons at the service contract level may be showing an anomaly with six bulk supply service contracts above the efficient level of 2010/11 forecast costs and the related six distribution service contracts below the efficient level of 2010/11 forecast costs. The remaining two bulk supply service contracts and the two related distribution service contracts are all above the efficient level of 2010/11 forecast costs.

In the time available between receipt of data from SunWater and the finalisation of this report, Indec was unable to investigate this matter in any great depth to understand the issue further and identify if any impacts arise on the analysis and comparisons in this report.

The introduction of the bulk supply and distribution service contract structure to unbundle the eight water supply schemes with both bulk supply and distribution assets may have involved a potential change in SunWater's approach to allocate capital and operating costs to the respective service contracts.

As the significance and materiality of any impacts are unknown to Indec, the comparison of forecasts from the previous price path to the current price path for those 16 service contracts which have a relationship between the bulk supply and distribution systems may be impacted by any changes resulting from the introduction of the unbundled concept. One method of overcoming this issue is to combine or bundle the bulk supply and distribution service contracts to remove the anomalies associated with the change in allocation of bulk supply costs to water allocations including distribution losses.

The analysis at the bundled service contract level is showing that six bundled service contracts involve 2011/12 to 2016/17 forecast costs above the efficient level of 2010/11 forecast costs and two bundled service contracts have 2011/12 to 2016/17 forecast costs below the efficient level of 2010/11 forecast costs.

## 1. INTRODUCTION

### 1.1. Background and Scope

Indec Consulting has been engaged by the Authority to complete an analysis of SunWater's 2006-07 to 2010-11 Forecast Total Costs relating to irrigation services to deliver the following outputs:

- ▶ provide the Authority with an electronic file containing relevant details of SunWater's total forecast expenditure, including efficiency gains (proposed by the Tier 1 Group) and the annual rate of cost escalation applied to the period 2006-07 to 2010-11 at the service contract level i.e. bulk supply and distribution.
- ▶ determine whether:
  - ▶ SunWater implemented previously proposed efficiency gains;
  - ▶ SunWater reduced its cost base to reflect the loss of SEQ water responsibilities; and
  - ▶ SunWater's proposed costs for the 2011-16 price paths reflect previously anticipated efficiency gains based upon an analysis of actual and forecast costs for the previous period.

The scope and time frames associated with delivering the outputs to the Authority required Indec to undertake a high level analysis at the activity level to determine if the above outcomes have been achieved by SunWater. The activity level includes a key number of cost activities, as defined by SunWater's Network Service Plans, listed below:

- ▶ operations;
- ▶ electricity;
- ▶ preventative maintenance;
- ▶ corrective maintenance;
- ▶ indirect & overheads; and
- ▶ refurbishment & augmentation.

The scope did not involve a detailed analysis to comment or explain the reasons for any variances identified between forecast and actual costs over the 2005-06 to 2010-11 period or if the 2011-16 price paths reflect anticipated efficiency gains from the 2005-06 to 2010-11 price paths.

The Authority did not select the option to undertake the following tasks for this analysis:

- ▶ disaggregation of the cost data for each tariff group;
- ▶ restatement of the allocation of overhead costs in the forecast data to broadly replicate the existing overhead allocation methodology applied to actual data to enable a more direct comparison of forecast cost with actual costs.

This report delivers on the outcomes relating to concurrent activity 4 (a) as outlined in the Authority's Terms of Reference (ToR) dated 2 June 2010 titled *Part (B) Review of SunWater Pricing Model – Component 2: and Other Concurrent Activities* (see Appendix A).

## **1.2. QCA's Role**

The Authority is an independent pricing and access regulator responsible for ensuring that specified monopoly infrastructure-based services in Queensland comply with the principles of national competition policy. The Authority seeks to provide a recognised avenue whereby both government and third parties can rely on an independent, objective appraisal of the issues subject to its review. The Authority was established by the *Queensland Competition Authority Act 1997* (the Act).

On the 19<sup>th</sup> March 2010, the Premier and Treasurer of Queensland, pursuant to Section 23 of the Act, have directed that the Authority develop and recommend irrigation prices to apply for particular SunWater water supply schemes from 1 July 2011 to 30 June 2016 (the Ministers' Referral Notice). The Ministers' Referral Notice has specified certain matters that the Authority must take into consideration and the Authority may exercise all the powers under Part 6 of the Act.

On the 17<sup>th</sup> December 2010, the Premier and Treasurer of Queensland amended the Direction of 19<sup>th</sup> March 2010 to restate the matters the Authority must take into consideration including modifying the timing of the price path commencing 1 October 2011 and ending 30 June 2016 (the Amended Ministers' Referral Notice).

On the 3<sup>rd</sup> June 2011, the Treasurer and Minister for Finance and the Arts of Queensland amended the Direction of 17<sup>th</sup> December 2010 to change the timing of the price path period from 1 July 2012 to 30 June 2017 and to provide further direction on the treatment of costs associated with the achievement of the national non-urban metering framework.

## **1.3. SunWater Background**

As a Queensland Government-owned Corporation (GOC), SunWater provides a range of services including infrastructure ownership, water delivery, operation and maintenance of infrastructure and engineering consultancy services. SunWater is the single largest service provider in the State providing retail and bulk supply services to industrial, agricultural and rural and urban users.

Over the last 80 years, SunWater has developed and now operates a regional network of water supply infrastructure throughout Queensland which supports irrigated agriculture, mining, power generation, industrial and urban development through 22 Water Supply Schemes. SunWater's water storage and infrastructure includes 19 major dams and over 2,500 kilometres of pipelines.

#### **1.4. SunWater Forecast Total Cost 2006-07 to 2010-11**

The analysis contained within this report is based on the forecasts established during the price negotiation process to set the 2006-07 to 2010-11 irrigation price paths. The outcomes of this negotiation process, including the forecast total costs for the period 2006-07 to 2010-11 or the lower bound cost targets, were documented in the report titled *SunWater Irrigation Price Paths 2006/07 - 2010/11 Final Report*. The forecasts cost data subject to the analysis in this report was extracted from the Irrigation Pricing Model developed by SunWater to establish the 2006-07 to 2010-11 irrigation price paths, with further details outlined in Section 2.4.

Indec's analysis considered the SunWater business restructure which occurred in 2006 and the introduction of the Business Operating Model (BOM) implemented in 2007. This required Indec to restructure the 2006-07 to 2010-11 forecast data based on a water supply scheme basis to match the current data reporting structures introduced by BOM which are based on a service contract format. The restructuring and data mapping of the forecast data is further explained in Section 2.5.

Indec has relied upon the actual cost data for the period 2006-07 to 2010-11 provided by SunWater to produce the comparison outputs contained in this report. SunWater assisted with further information to enable Indec to verify the analysis and the subsequent data mapping undertaken to produce a reliable and consistent comparison and analysis of actual results against the forecasts. Section 2.8 provides further details relating to the actual data received from SunWater.

## 2. METHODOLOGY

This section of the report explains the methodology applied by Indec in undertaking the analysis and comparison of forecast costs to actual costs over the period 2006-07 to 2010-11. This section also outlines some of the issues with the forecast cost data, the adjustments made to the forecast cost data and the limitations of the analysis and the comparison of forecast costs to actual costs.

### 2.1. Background

Indec's first step was to review the data structures applied in the establishment of the forecast data set originally applied to develop the 2006-07 to 2010-11 irrigation price paths. The next step involved reviewing the recording of actual financial results by SunWater over the course of the five year price path period.

Indec is familiar with both the forecast and actual financial data sets from its experience with the previous irrigation price review and the current review when completing, on behalf of the Authority, a review of SunWater's Financial Model and an audit of the BOM.

The 2006-07 to 2010-11 forecast data was based in 2005/06 dollars whereas the actual results for the 2006-07 to 2010-11 period received from SunWater was indexed to 2010/11 dollars. This required Indec to index the 2006-07 to 2010-11 forecast data to 2010/11 dollars on a similar basis to that applied by SunWater to the actual results to enable a like for like comparison. Section 2.6 provides further details.

### 2.2. 2006-07 to 2010-11 Forecast Cost Data Issues

To enable a comparison of actual financial results with those forecast as part of the 2006-07 to 2010-11 irrigation price paths, certain adjustments were required to deal with business restructuring, both internally and externally driven, and a change in the data structure applied in the recording of actual financial results. The following events, which occurred during the 2006-07 to 2010-11 irrigation price paths, have impacted on the analysis:

- ▶ SunWater's implementation of the BOM in 2007 has altered the financial data structure with the key impacts resulting in modified cost recording and the introduction of the service contract concept so that the eight schemes with distribution networks can be separated from bulk supply to enable tariff unbundling so that a separate tariff can be calculated for bulk supply (river) and distribution services.
- ▶ The introduction of the BOM has also resulted in certain non-irrigation segments of schemes, such as town water and industrial pipelines, being captured as independent service contracts.
- ▶ At the start of 2008/09, five water supply schemes (seven service contracts) were transferred to Seqwater as part of the Queensland Government's reforms of the water industry. These five schemes included Central Lockyer Valley, Lower Lockyer Valley, Logan River, Upper Mary and Warill Valley Water Supply Schemes.

- ▶ SunWater's business restructure in 2006 has had broad impacts on the cost analysis as costs are now incurred by different operating units than what was originally forecast. The number of business centres has reduced, the number of depots has increased and some of the functions have moved to a different operating unit. SunWater has advised Indec that a significant level of business centres activities have been transferred to the Brisbane office.
- ▶ Indec has been advised by SunWater that a stronger emphasis is placed on recording direct or discrete activities performed in the Brisbane office on a particular service contract as direct costs for the relevant service contract. This outcome results from both a change in time charging practices as well as the shift of activities from regional offices to the Brisbane office.
- ▶ The allocation of overheads has been modified to that applied in the setting of the 2006-07 to 2010-11 irrigation price paths in terms of methodology as well as the introduction of further indirect cost pools.

These changes and their impacts on the analysis of forecast costs versus actual costs are described in more detail in Section 2.5.

### **2.3. Indirect & Overhead Cost Allocation**

As indirect and overhead costs are pooled and allocated in a different manner in the actual results compared to the approach applied in developing the forecasts, a comparison of forecast costs and actual costs is likely to include variances which arise due to the change in the indirect and overhead cost pools and the allocation methodology.

The forecast cost data involved indirect and overhead costs being pooled for the Brisbane head office and for each of the six business centres in existence at the time of the forecasts being prepared to create seven overhead pools and an indirect cost pool for Resource Operating Plan (ROP) costs. Brisbane and business centre overheads were allocated to direct expenditure activities excluding electricity and Refurbishment and Enhancement (R&E) activities based on each activities proportion of total direct costs. The overheads in each of the six business centre overhead pools were allocated to only those activities directly under the direction of that business centre with ROP costs allocated to the relevant water supply schemes.

The actual cost include a different indirect and overhead cost allocation methodology with Brisbane overheads being split into two pools (5% into a procurement related pool and 95% into a general pool), a single pool of regional centre overheads is created and a number of indirect cost pools are created to allocate indirect costs to the relevant service contracts or business activities. The actual overhead costs are allocated to all direct expenditure activities with a labour cost component, including R&E activities, based on each direct activities proportion of direct labour costs. The indirect costs pools have specific allocation rules which are generally also based on direct labour cost - either routine, non-routine or both.

The issue relating to overheads being allocated to R&E activities in actual reporting and any associated impacts on the annuity balance will be addressed in the analysis Indec has completed related to the 2006-07 to 2010-11 renewals expenditure. Please see the report prepared by Indec titled *Analysis of 2006-07 to 2010-11 Renewals Expenditure* for further details.

The scope of this review did not require Indec to consider the impacts associated with the change in SunWater's indirect and overhead allocation methodology. No adjustments have been made by Indec to the forecast cost data to broadly replicate the current indirect and overhead allocation methodology.

To remove any potential bias introduced by the change in indirect and overhead allocation methodology, the analysis has removed indirect and overhead costs from actual results at the activity level. This enables a comparison of direct forecast costs against direct actual costs at the activity level to exclude the impacts of indirect and overhead costs and the change in allocation methodology.

It should be noted that even with no change in the indirect and overhead allocation methodology, the actual allocation of indirect and overhead costs may change due to a relative change in the allocation weights between actual results and forecasts as well as any variances that arise due to an absolute change in indirect and overhead costs between forecast and actual costs.

As previously mentioned and explained further in Section 2.8 below, the comparison of actual costs to forecast costs for each service contract may be biased due to the impacts associated with the change in the indirect and overhead pools and the allocation methodology. Potential biases may arise as the change in indirect and overhead allocation methodologies may contribute to any variances above those arising from a change in absolute level of indirect and overhead costs.

#### **2.4. Source of 2006-07 to 2010-11 Forecast Cost Data**

The forecast cost data was extracted from the following Excel files prepared by SunWater as part of the 2006-07 to 2010-11 irrigation price paths:

- ▶ *Pivot and Allocation Beta 2 v33 v9.xls*
- ▶ *LBC by Segment Pivot v33 yr 1 incr.xls*
- ▶ *Refurb Program Reconciliation.xls*

The *Pivot and Allocation Beta 2 v33 v9.xls* file contains disaggregated cost forecasts and undertakes some of the calculations associated with the irrigation price path such as the allocation of overheads and the annuity.

The *LBC by Segment Pivot v33 yr 1 incr.xls* file contains aggregated cost forecasts and completes the final calculations such as allocating costs to customer sectors based on converted nominal allocations, calculates tariffs and produces the lower bound costs reports.

The *Refurb Program Reconciliation.xls* file contains the cost forecasts at the project level for refurbishment and augmentation activities.

## **2.5. Adjustments to 2006-07 to 2010-11 Forecast Cost Data**

As outlined above, Indec adjusted the forecast cost data prepared as part of the 2006-07 to 2010-11 irrigation price paths to more closely match the current business structure and the current practices of financial data capture.

Indec has not investigated to determine if the definition of cost activities has changed between the preparation of the forecast cost prepared for the 2005-06 to 2010-11 irrigation price paths and the actual recording of costs by SunWater over the five year period ending in 2010-11.

With the exception of the indirect and overhead cost allocation change, these events and their impacts on data capture and reporting of actual outcomes have required changes to be made to the forecast data to enable a like for like comparison with actual financial results.

The changes outlined in Section 2.1 required Indec to make the following adjustments:

1. The service contract structure required forecast data based on a water supply scheme basis to be mapped to the new data structure based on the service contract concept. This adjustment was effected by mapping the forecast data to the actual data on what was called segments and is now called profit centre basis. This adjustment effectively recast the forecast data prepared on a scheme basis to forecasts based on a service contract basis. The most significant changes involved the creation of the bulk supply and distribution service contracts for the eight channel systems and the adjustments associated with the creation of service contracts for commercial pipelines and urban or town water.
2. Indec was required to map the sub-activity cost structure which was the basis of the forecast cost data to the current BOM reporting structure at the activity level as reported in the Network Service Plans (NSPs). This enabled the forecast data to be presented in a similar structure to that presented in the NSPs to enable a comparison of forecast costs to actual costs.

Indec has excluded the Rural Water Subsidy and Resource Operating Plan (ROP) Community Service Obligation (CSO) payments from the 2005-06 to 2010-11 forecasts on the basis of advice from SunWater that the actual results provided by SunWater do not capture these items. The Rural Water Subsidy CSO was the forecast payment to be made to SunWater by the Queensland government to meet any revenue shortfalls between revenues from agreed price paths and the agreed efficient lower bound costs as part of the policy to assist certain schemes to transition to lower bound pricing.



The ROP CSO was the forecast payment to be made to SunWater by the Queensland government to meet the full costs of ROP development costs for the period 2006-07 to 2010-11. The costs associated with the ROP development costs have been included in the 2005-06 to 2010-11 forecasts and SunWater has confirmed that these costs are included in the actual 2005-06 to 2010-11 results.

Indec cross checked the adjustments it made to the forecast data with a separate process undertaken by SunWater. SunWater provided Indec with a file titled *Extract Target LBC Data Conversion down to sub activity.xls*, which included annual total for each year on a service contract basis. This enabled Indec to undertake high level cross checks at the service contract total level of the adjustments made by Indec to those made by SunWater with very similar results achieved.

## 2.6. Cost Indexation

The forecast cost data prepared as part of the 2006-07 to 2010-11 irrigation price paths are based in 2005/06 real dollars and did not include any cost indexation to express the forecasts in nominal dollars or dollars of the day.

As part of the analysis for this report, Indec applied annual indexation adjustments to the forecasts to restate the forecasts to 2010-11 dollars, to express the forecasts in similar terms to that of the actual results received from SunWater. This annual indexation adjustment effectively expressed the forecast costs in similar terms to that of the actual financial results to enable both year to year and year by year comparison. All financial data presented in this report are expressed in 2010/11 dollars, unless otherwise indicated.

Based on discussions with the Authority and SunWater and to maintain consistency with the annual indexation applied to tariffs during the 2006-07 to 2010-11 irrigation price path, the annual indexation applied by Indec to the cost forecasts was the Brisbane All Groups Consumer Price Index (6401.0) for the year ended March for the year prior as published by the Australian Bureau of Statistics. The CPI cost indexation was applied to all costs excluding electricity, with electricity adjusted by CPI plus 1%, which is consistent with the agreed annual tariff indexation applied to the 2006-07 to 2010-11 irrigation price paths.

Figure 2.3.1 below details the annual indexation applied to the cost forecasts.

Cost Activity	2007	2008	2009	2010	2011
All Activities (excl Electricity), CPI	2.88%	2.93%	4.81%	3.14%	3.04%
All Activities (excl Electricity), Nominal \$ to Real \$ 10/11 Cumulative CPI Index	114.66	111.39	106.28	103.04	100.00
Electricity, CPI	3.88%	3.93%	5.81%	4.14%	4.04%
Electricity, Nominal \$ to Real \$ 10/11 Cumulative CPI Index	119.15	114.65	108.35	104.04	100.00

**Figure 2.3.1 Cost Indexation Applied to Forecasts**

## 2.7. Efficiency Savings

The lower bound cost targets as set by the price negotiation process included annual efficiency savings targets at the total water supply scheme level. These targets have been included in the forecast data for the purposes of this analysis and have been applied to each activity consistent with the approach applied by Indec in developing the recommended annual targets.

Indec did not recommend how the savings should be achieved, rather it provided a guide to SunWater management rather than a prescriptive direction for the savings required to operate efficiently. Indec stated in its recommendations that the final distribution of savings among individual cost centres and activities should be at the absolute discretion of SunWater.

The allocation of efficiency savings based on a service contract structure has not diminished the total annual savings targets to be achieved at the total water supply scheme level. As some segments from the water supply scheme structure are now captured in a separate service contract, the costs as well as the savings associated with the separate service contract are excluded from this analysis. As this analysis does not capture all service contracts and focuses on only those service contracts relevant to irrigation services, the total value of the efficiency targets are not visible or relevant to this analysis as some of the service contracts are excluded from this analysis.

It should be noted that a direct comparison of forecast costs and actual costs at the activity level is likely to include variances which arise from SunWater adopting a different approach to implementing any efficiency savings. A more appropriate comparison of actual costs with forecast costs can be made at the total expenditure level to remove any biases which may arise from efficiency savings being implemented in a different matter to that assumed as part of the Indec efficiency review.

## 2.8. Source of 2005-06 to 2010-11 Actual Cost Data

### 2.8.1. Operating Costs

SunWater provided Indec with a data file which contained the actual annual cost data for the five year period ending 2011 on 22<sup>nd</sup> September 2011. The data file was an extract from SAP titled *Extract LBC Data Conversion down to sub activity level with 2011 and incl Seqwater SCs.xls*. The data was indexed by SunWater to 2010/11 dollars to be consistent with the presentation of data in SunWater's NSPs produced in January 2011.

This actual cost data included the 37 service contracts relevant to irrigation services including the 7 service contracts transferred to Seqwater.

### **2.8.2. Refurbishment & Augmentation Cash Spend**

The 2005-06 to 2010-11 R&E cash spend forecasts included only those projects to be funded by customers and which would be included in the calculation of the renewals annuity. For the purposes of the comparisons with 2005-06 to 2010-11 R&E actual cash spend, Indec has used a data set provided by SunWater which included only those projects funded by customers and excluded projects such as dam safety upgrades not funded by customers and SunWater funded channel relining costs in the Selma system of the Emerald Irrigation Distribution Service Contract.

The actual data file outlined in Section 2.8.1 included all spending on all R&E projects whereas the data file used by Indec titled *2007 to 2011 Irrigation annuity to indec 19 9 2011.xls* included only those projects funded by customers.

### **2.9. Source of 2012-13 to 2016-17 Forecast Cost Data**

Indec has sourced the 2012-13 to 2016-17 forecast cost data from a combination of sources. The cost forecasts for the 2012-13 to 2015-16 period have been sourced from the Network Service Plans (NSPs) which SunWater produced in January 2011. The cost forecasts relating to the 2016-17 year has been sourced from a paper prepared by SunWater in September 2011 titled *Expenditure Update - Changed Regulatory Period*.

The Authority directed Indec to base the analysis in this report on the revised electricity cost forecasts as documented in the SunWater paper titled *Electricity Cost Re-forecast* dated September 2011.

SunWater confirmed to Indec that the 2012-13 to 2016-17 forecast cost data are expressed in 2011 dollars or dollars of the day for the 2010/11 financial year and as documented in SunWater's paper titled *Expenditure Update - Changed Regulatory Period*.

### **2.10. Limitations of the Analysis and Comparison of Forecast to Actual**

As previously noted in this report, the changes made by SunWater to its business structure and the implementation of BOM have impacted on the comparison of actual costs to forecast costs. Indec's adjustments to the forecast data have overcome most of the issues associated with the changes made by SunWater to its business structure and the implementation of BOM.

As previously discussed, the scope of this review did not require Indec to consider the impacts associated with the change in SunWater's overhead allocation methodology. Consequently, no adjustments have been made to the forecast cost data to restate the allocation of overhead costs in the forecast data to broadly replicate the existing overhead allocation methodology applied to actual data to enable a more direct comparison of forecast cost with actual costs.

Due to the issues which are likely to arise from the differences in the indirect and overhead allocation methodology between forecast data and actual data, a direct comparison of forecast data with actual data is likely to include variances resulting from the change in indirect and overhead allocation. Potential biases may arise due to the change in indirect and overhead allocation methodologies which may contribute to any variances above those arising from a change in the absolute level of indirect and overhead costs.

It should be noted that even with no change in the indirect and overhead allocation methodology, the actual allocation of indirect and overhead costs may change due to a relative change in the allocation weights between actual results and forecasts even with no change in the absolute level of indirect and overhead costs between forecast and actual costs.

Furthermore, and as outlined in Section 2.6, a direct comparison of forecast costs and actual costs at the activity level is likely to include variances resulting from SunWater adopting a different approach to implementing any efficiency savings to that implied by the adjustments made to the forecast data to capture Indec's methodology to develop the efficiency targets.

#### **2.11. Feedback from SunWater**

Indec provided SunWater with the opportunity to review the Draft Report and provide feedback on Indec's analysis and conclusions. SunWater's feedback on the Draft Report identified that due to the accounting treatment of certain costs relating to flood repairs and dam safety, Indec's analysis may have double counted these costs to the value of \$2.8m in 2009, \$0.4m in 2010 and \$3.9m in 2011. Any impacts of double counting of costs may not have an effect on all service contracts. Insufficient time was available to Indec to fully investigate this issue prior to finalising this Final Draft Report.

### **3. ANALYSIS OF FORECAST TOTAL COSTS 2006-07 TO 2010-11**

This section of the report explains the outputs of the analysis and the comparison of forecast costs to actual costs over the period 2006-07 to 2010-11, including the results of the analysis relating to the three specific issues raised by the Authority's ToR.

#### **3.1. Issues Impacting on Analysis and Interpretations**

The analysis and the interpretation of the results in this section need to consider the issues associated with indirect and overhead allocation rules and the treatment of the efficiency savings.

Section 2.3 of this report outlined the issues which are likely to arise from the change in the indirect and overhead allocation methodology, making a comparison between forecast data and actual data problematic. Potential biases may arise from the change in indirect and overhead allocation methodologies which contributes to relative variances above those arising from a change in absolute level of indirect and overhead costs.

As explained in Section 2.6 of this report, a direct comparison of forecast costs and actual costs at the activity level will include variances resulting from SunWater adopting a different approach to implementing any efficiency savings to that implied by the adjustments made to the forecast data based on Indec's methodology to develop the efficiency targets.

#### **3.2. Electronic File of 2006-07 to 2010-11 Forecast Costs**

The first output as part of the analysis of SunWater's Forecast Total Costs 2006-07 to 2010-11 was to provide the Authority with an electronic file containing relevant details of SunWater's total forecast expenditure, including efficiency gains (proposed by the Tier 1 Group) and the annual rate of cost escalation applied to the period 2006-07 to 2010-11.

Indec provided the Authority with an electronic file containing the forecast costs at a sub-activity level which formed the basis of the 2006-07 to 2010-11 irrigation price paths. This data set included the efficiency gains as agreed during the price negotiations with the Tier 1 Group to set the 2006-07 to 2010-11 irrigation price paths.

The 2006-07 to 2010-11 cost forecasts were based in 2005/06 dollars and did not include any annual rate of cost escalations.

The electronic file was sent to the Authority on the 13<sup>th</sup> July 2011 with an updated file sent on 6<sup>th</sup> September 2011, with each file including brief explanatory notes highlighting the key matters pertinent to the data contained in each file.

The names of the files sent to the Authority are detailed below:

- ▶ *V1122 SunWater Irrigation Pricing Data Forecasts 2003-2011 13jul2011, QCA.xlsx*
- ▶ *V1122 SunWater Irrigation Pricing Data Forecasts 2003-2011 6sept2011, QCA.xlsx*

These files contained data extracted by Indec from the following two files:

- ▶ *Pivot and Allocation Beta 2 v33 v9.xls* file contains disaggregated cost forecasts and undertakes some of the calculations associated with the irrigation price path such as the allocation of overheads and the annuity.
- ▶ *LBC by Segment Pivot v33 yr 1 incr.xls* file contains aggregated cost forecasts and completes the final calculations such as allocating costs to customer sectors based on converted nominal allocations, calculates tariffs and produces the lower bound costs reports.

### **3.3. Implementation of 2006-07 to 2010-11 proposed efficiency gains**

The Authority's ToR required Indec to determine whether SunWater implemented the proposed efficiency gains associated with the 2006-07 to 2010-11 irrigation price paths.

Indec has undertaken this analysis for each of the 30 service contracts relevant to the 2012 to 2017 irrigation price path and at the total SunWater level for all 30 service contracts which represents those service contracts which deliver irrigation water services.

For the propose of determining if SunWater implemented the proposed efficiency gains associated with the 2006-07 to 2010-11 irrigation price paths, the five water supply schemes transferred to Seawater in 2008/09 have been excluded from the analysis.

### 3.3.1. SunWater Total Costs

The analysis at the SunWater total level, which includes the 30 relevant service contracts for the provision of irrigation services, is summarised in Figure 3.3.1. The table in Figure 3.3.1 includes all operating costs and the cash spend associated with R&E activities.

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	10,789,775	10,505,215	11,885,055	13,447,988	13,411,621	15,417,781	14,651,884	13,909,837	13,819,208	13,642,626
Electricity	5,936,515	4,970,638	4,634,325	6,863,897	3,424,090	8,178,359	8,178,359	8,178,359	8,178,359	8,178,359
Preventative Maintenance	5,190,042	4,399,368	4,796,846	5,272,363	4,505,234	5,279,040	5,208,677	5,124,317	5,177,380	5,098,217
Corrective Maintenance	4,178,637	5,883,751	5,513,790	4,417,932	7,558,420	3,357,719	3,317,549	3,339,474	3,548,562	3,441,843
Revenue Offsets	-3,135,550	-3,040,709	-3,057,316	-2,876,037	-2,584,107	-844,095	-844,095	-844,095	-844,095	-844,095
Indirects & Overheads	23,042,988	20,098,321	21,560,592	19,598,456	22,109,406	19,876,140	18,371,512	17,313,162	16,954,908	16,900,605
<b>Total Operating Costs</b>	<b>46,002,407</b>	<b>42,816,584</b>	<b>45,333,293</b>	<b>46,724,599</b>	<b>48,424,664</b>	<b>51,264,942</b>	<b>48,883,886</b>	<b>47,021,053</b>	<b>46,834,321</b>	<b>46,417,553</b>
R & E (Direct)	6,509,853	6,319,567	9,600,791	14,141,134	15,546,366	7,687,924	7,966,022	7,640,709	7,982,164	7,137,475
R & E (Non-Direct)	2,148,411	2,440,235	3,144,264	5,191,635	4,245,571	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>8,658,264</b>	<b>8,759,802</b>	<b>12,745,056</b>	<b>19,332,769</b>	<b>19,791,937</b>	<b>7,687,924</b>	<b>7,966,022</b>	<b>7,640,709</b>	<b>7,982,164</b>	<b>7,137,475</b>
<b>Total Expenditure</b>	<b>54,660,671</b>	<b>51,576,387</b>	<b>58,078,349</b>	<b>66,057,368</b>	<b>68,216,602</b>	<b>58,952,867</b>	<b>56,849,908</b>	<b>54,661,761</b>	<b>54,816,484</b>	<b>53,555,028</b>

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-4,628,006	-4,146,670	-2,024,782	-371,220	-231,005	-30%	-28%	-15%	-3%	-2%
Electricity	-2,241,844	-3,207,720	-3,544,034	-1,314,461	-4,754,269	-27%	-39%	-43%	-16%	-58%
Preventative Maintenance	-88,998	-809,309	-327,471	94,983	-592,982	-2%	-16%	-6%	2%	-12%
Corrective Maintenance	820,919	2,566,202	2,174,316	869,371	4,116,578	24%	77%	65%	24%	120%
Revenue Offsets	-2,291,455	-2,196,613	-2,213,221	-2,031,942	-1,740,012	271%	260%	262%	241%	206%
Indirects & Overheads	3,166,848	1,726,809	4,247,430	2,643,548	5,208,801	16%	9%	25%	16%	31%
<b>Total Operating Costs</b>	<b>-5,262,535</b>	<b>-6,067,301</b>	<b>-1,687,760</b>	<b>-109,721</b>	<b>2,007,112</b>	<b>-10%</b>	<b>-12%</b>	<b>-4%</b>	<b>-0%</b>	<b>4%</b>
R & E (Direct)	-1,178,071	-1,646,455	1,960,083	6,158,970	8,408,890	-15%	-21%	26%	77%	118%
R & E (Non-Direct)	2,148,411	2,440,235	3,144,264	5,191,635	4,245,571	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>970,340</b>	<b>793,780</b>	<b>5,104,347</b>	<b>11,350,605</b>	<b>12,654,462</b>	<b>13%</b>	<b>10%</b>	<b>67%</b>	<b>142%</b>	<b>177%</b>
<b>Total Expenditure</b>	<b>-4,292,196</b>	<b>-5,273,521</b>	<b>3,416,587</b>	<b>11,240,884</b>	<b>14,661,573</b>	<b>-7%</b>	<b>-9%</b>	<b>6%</b>	<b>21%</b>	<b>27%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

**Figure 3.3.1 SunWater Total Costs – Comparison of Actual Costs v Forecast Costs (2010/11 real \$)**

As Figure 3.3.1 above shows, SunWater operated below the annual efficient forecast total expenditure target during the two year period from 2006-07 to 2007-08 and operated above the annual efficient forecast total cost expenditure for the three year period between 2008-09 to 2010-11. The actual total expenditure below forecast efficient costs was 7% or \$4.3m in 2006-07 and 9% or \$5.3m in 2007-08. The actual total expenditure above the forecast level ranged from 6% or \$3.4m in 2008-09 to 27% or \$14.7m in 2010-11.

The variances above forecast arose in the following activities:

- ▶ Corrective maintenance involved actual spend above efficient cost forecast in all five years ranging from a variance of \$0.9m or 24% in 2010 to \$4.1m or 120% in 2011. SunWater has advised that the significant variance in 2011 was impacted by the additional corrective maintenance activity associated with rectification works resulting from the 2011 floods.
- ▶ Actual indirect and overhead costs exceeded efficient cost forecasts in every year with the range of variances between 9% or \$1.7m and 31% or \$5.2m.

- ▶ R&E cash spend resulted in actual expenditure above efficient forecasts in all five years ranging from \$0.8m or 10% in 2007-08 to \$12.7m or 177% in 2011. Further analysis of the R&E cash spend is included in the report prepared by Indec titled *Analysis of 2006-07 to 2010-11 Renewals Expenditure*.

These variances above efficient forecasts costs were somewhat offset by actual spend below forecast in the following activities:

- ▶ Operations resulted in an actual spend below efficient forecast costs in all five years ranging between \$4.6m or 30% in 2006-07 to \$0.2m or 2% in 2011.
- ▶ Actual electricity costs resulted was below forecast in every year with the variance ranging between \$1.3m or 16% in 2009-10 to \$4.8m or 58% in 2011. The significant under spend in 2011 arose from a reduction in water deliveries due to high rainfall in 2010/11.
- ▶ Preventative maintenance actual costs were below efficient forecast costs in four of the five years, ranging from a variance of \$0.01m or 2% in 2006-07 to \$0.8m or 16% in 2007-08.
- ▶ Revenue offset exceeded the forecast level in every year with the variance ranging from \$1.7m or 206% in 2010-11 to \$2.3m or 271% in 2006-07.

Figure 3.3.2 below focuses on the controllable operating costs by excluding electricity and revenue offset. Controllable costs include those costs which management have a significant level of influence over which was of particular focus during the Indec efficiency review for the 2005-06 to 2010-11 price path. Electricity costs and revenue offsets have been excluded from this analysis as they are non-controllable costs with SunWater management not having total control or discretion on these costs. Electricity cost in particular is difficult to accurately forecast, both due to unit price assumptions and the volume of water to be pumped.

The analysis in Figure 3.3.2 also excludes R&E cash spend from this analysis as the revenue requirement for setting tariffs is based on the annuity and not the cash spend and furthermore the cash spend can be lumpy in nature and distort the analysis.

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	10,789,775	10,505,215	11,885,055	13,447,988	13,411,621	15,417,781	14,651,884	13,909,837	13,819,208	13,642,626
Preventative Maintenance	5,190,042	4,399,368	4,796,846	5,272,363	4,505,234	5,279,040	5,208,677	5,124,317	5,177,380	5,098,217
Corrective Maintenance	4,178,637	5,883,751	5,513,790	4,417,932	7,558,420	3,357,719	3,317,549	3,339,474	3,548,562	3,441,843
Indirects & Overheads	23,042,988	20,098,321	21,560,592	19,598,456	22,109,406	19,876,140	18,371,512	17,313,162	16,954,908	16,900,605
<b>Total Controllable Operating Costs</b>	<b>43,201,442</b>	<b>40,886,655</b>	<b>43,756,284</b>	<b>42,736,739</b>	<b>47,584,682</b>	<b>43,930,679</b>	<b>41,549,622</b>	<b>39,686,790</b>	<b>39,500,057</b>	<b>39,083,290</b>

  

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-4,628,006	-4,146,670	-2,024,782	-371,220	-231,005	-30%	-28%	-15%	-3%	-2%
Preventative Maintenance	-88,998	-809,309	-327,471	94,983	-592,982	-2%	-16%	-6%	2%	-12%
Corrective Maintenance	820,919	2,566,202	2,174,316	869,371	4,116,578	24%	77%	65%	24%	120%
Indirects & Overheads	3,166,848	1,726,809	4,247,430	2,643,548	5,208,801	16%	9%	25%	16%	31%
<b>Total Controllable Operating Costs</b>	<b>-729,237</b>	<b>-662,968</b>	<b>4,069,494</b>	<b>3,236,682</b>	<b>8,501,392</b>	<b>-2%</b>	<b>-2%</b>	<b>10%</b>	<b>8%</b>	<b>22%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

**Figure 3.3.2 SunWater Total Controllable Operating Costs – Comparison of Actual Costs v Forecast Costs (2010/11 real \$)**



Similar to the outcomes observed from the analysis of Total Expenditure in Figure 3.3.1, over the five year period SunWater operated below the annual efficient controllable operating cost target in two of the five years, with actual expenditure of controllable operating costs above the efficient forecasts in the other three years.

Figure 3.3.2 shows that:

- ▶ During the two year period from 2006-07 to 2007-08, SunWater operated below the annual efficient controllable operating cost forecast, with actual expenditure below the efficient forecast by 2% or \$0.7m in each year.
- ▶ From 2008-09 to 2010-11, or the remaining three year period, the actual controllable operating expenditure was above the efficient forecast costs ranging from 8% or \$4.1m in 2008-09 to 22% or \$8.5m in 2010-11.

### **3.3.2. Service Contract Level**

Summary outcomes are presented in Figure 3.3.3 below for each service contract . The detailed analysis at the service contract level can be found in Appendix B which shows analysis at the activity level for each year of the 5 year period ending 2010-11.

Service Contract	2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)	2006/07 to 2010/11 Controllable Operating Costs Comparison, (Real 10/11 \$)
Bundaberg Irrigation Distribution	Actual total expenditure below forecasts in 4 years, ranging from 7% (\$609k) in 2011 to 26% (\$2.2m) in 2008 with 4% (\$309k) above forecasts in 2010.	Actual controllable operating costs below forecasts in 4 years, ranging from 2% (\$91k) in 2010 to 25% (\$1.6m) in 2007 with % (\$21k) above forecasts in 2011.
Burdekin Irrigation Distribution	Actual total expenditure below forecasts in 5 years, ranging from 8% (\$1.1m) in 2009 to 20% (\$3.0m) in 2007.	Actual controllable operating costs below forecasts in 3 years, ranging from 1% (\$65k) in 2011 to 7% (\$622k) in 2010 with 8% (\$658k) above forecasts in 2008.
Dawson Irrigation Distribution	Actual total expenditure above forecasts in 3 years, ranging from 20% (\$250k) in 2010 to 124% (\$1.5m) in 2011 with 33% (\$409k) below forecasts in 2007.	Actual controllable operating costs below forecasts in 3 years, ranging from 5% (\$51k) in 2008 to 25% (\$264k) in 2007 with 64% (\$598k) above forecasts in 2011.
Emerald Irrigation Distribution	Actual total expenditure below forecasts in 4 years, ranging from 11% (\$284k) in 2009 to 55% (\$1.5m) in 2008 with 17% (\$435k) above forecasts in 2010.	Actual controllable operating costs below forecasts in 5 years, ranging from 17% (\$403k) in 2009 to 40% (\$979k) in 2008.
Eton Irrigation Distribution	Actual total expenditure below forecasts in 5 years, ranging from 16% (\$447k) in 2010 to 53% (\$1.6m) in 2008.	Actual controllable operating costs below forecasts in 5 years, ranging from 40% (\$863k) in 2010 to 52% (\$1.1m) in 2011.
Lower Mary Irrigation Distribution	Actual total expenditure below forecasts in 5 years, ranging from 6% (\$60k) in 2011 to 54% (\$529k) in 2007.	Actual controllable operating costs above forecasts in 3 years, ranging from 7% (\$41k) in 2011 to 14% (\$77k) in 2009 with 49% (\$292k) below forecasts in 2007.
Mareeba Irrigation Distribution	Actual total expenditure below forecasts in 3 years, ranging from 17% (\$1.1m) in 2009 to 40% (\$2.6m) in 2008 with 12% (\$706k) above forecasts in 2011.	Actual controllable operating costs below forecasts in 5 years, ranging from 17% (\$815k) in 2009 to 44% (\$2.2m) in 2008.
St George Irrigation Distribution	Actual total expenditure below forecasts in 4 years, ranging from 21% (\$556k) in 2009 to 54% (\$1.5m) in 2007 with 35% (\$821k) above forecasts in 2011.	Actual controllable operating costs below forecasts in 5 years, ranging from 10% (\$218k) in 2009 to 48% (\$1.2m) in 2007.
Barker Barambah Water Supply	Actual total expenditure below forecasts in 4 years, ranging from 6% (\$60k) in 2009 to 44% (\$493k) in 2007 with 26% (\$266k) above forecasts in 2011.	Actual controllable operating costs below forecasts in 4 years, ranging from 3% (\$23k) in 2009 to 48% (\$482k) in 2008 with 6% (\$51k) above forecasts in 2011.
Bowen Broken Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 162% (\$534k) in 2007 to 383% (\$849k) in 2008.	Actual controllable operating costs above forecasts in 5 years, ranging from 242% (\$568k) in 2007 to 331% (\$745k) in 2011.
Boyne Water Supply	Actual total expenditure below forecasts in 3 years, ranging from 7% (\$40k) in 2009 to 44% (\$186k) in 2008 with 65% (\$277k) above forecasts in 2011.	Actual controllable operating costs above forecasts in 3 years, ranging from 7% (\$23k) in 2010 to 64% (\$225k) in 2011 with 30% (\$106k) below forecasts in 2008.
Bundaberg Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 72% (\$626k) in 2008 to 393% (\$2.5m) in 2011.	Actual controllable operating costs above forecasts in 5 years, ranging from 133% (\$620k) in 2009 to 422% (\$1.7m) in 2011.
Burdekin Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 53% (\$863k) in 2011 to 165% (\$2.7m) in 2009.	Actual controllable operating costs above forecasts in 5 years, ranging from 55% (\$820k) in 2011 to 165% (\$2.5m) in 2009.
Callide Water Supply	Actual total expenditure below forecasts in 4 years, ranging from 5% (\$67k) in 2010 to 54% (\$715k) in 2008 with 3% (\$37k) above forecasts in 2011.	Actual controllable operating costs below forecasts in 5 years, ranging from 11% (\$133k) in 2011 to 50% (\$642k) in 2008.
Chinchilla Weir Water Supply	Actual total expenditure below forecasts in 5 years, ranging from 20% (\$41k) in 2007 to 65% (\$136k) in 2008.	Actual controllable operating costs below forecasts in 5 years, ranging from 19% (\$37k) in 2007 to 58% (\$100k) in 2009.

**Figure 3.3.3 Summary Outcomes at Service Contract Level – Actual Costs v Forecast Costs**  
(Part 1 of 2)

Service Contract	2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)	2006/07 to 2010/11 Controllable Operating Costs Comparison, (Real 10/11 \$)
Cunnamulla Weir Water Supply	Actual total expenditure below forecasts in 5 years, ranging from 17% (\$17k) in 2009 to 71% (\$76k) in 2008.	Actual controllable operating costs below forecasts in 5 years, ranging from 39% (\$41k) in 2009 to 68% (\$73k) in 2008.
Dawson Water Supply	Actual total expenditure below forecasts in 3 years, ranging from 1% (\$12k) in 2010 to 7% (\$101k) in 2007 with 33% (\$350k) above forecasts in 2011.	Actual controllable operating costs above forecasts in 3 years, ranging from 8% (\$89k) in 2010 to 40% (\$329k) in 2011 with 9% (\$83k) below forecasts in 2008.
Eton Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 483% (\$1.3m) in 2007 to 2347% (\$1.8m) in 2010.	Actual controllable operating costs above forecasts in 5 years, ranging from 2350% (\$896k) in 2009 to 3750% (\$1.5m) in 2011.
Lower Fitzroy Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 318% (\$248k) in 2011 to 1650% (\$394k) in 2009.	Actual controllable operating costs above forecasts in 5 years, ranging from 639% (\$163k) in 2008 to 1304% (\$290k) in 2007.
Lower Mary Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 68% (\$52k) in 2008 to 938% (\$376k) in 2010.	Actual controllable operating costs above forecasts in 5 years, ranging from 170% (\$70k) in 2008 to 849% (\$279k) in 2010.
Macintyre Brook Water Supply	Actual total expenditure above forecasts in 4 years, ranging from 20% (\$226k) in 2007 to 117% (\$934k) in 2010 with 3% (\$48k) below forecasts in 2008.	Actual controllable operating costs above forecasts in 5 years, ranging from 12% (\$103k) in 2008 to 66% (\$465k) in 2011.
Maranoa Water Supply	Actual total expenditure below forecasts in 5 years, ranging from 23% (\$26k) in 2009 to 81% (\$103k) in 2011.	Actual controllable operating costs below forecasts in 5 years, ranging from 23% (\$26k) in 2009 to 78% (\$80k) in 2010.
Mareeba Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 77% (\$484k) in 2011 to 253% (\$1.2m) in 2007.	Actual controllable operating costs above forecasts in 5 years, ranging from 154% (\$530k) in 2010 to 397% (\$1.3m) in 2007.
Nogoa Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 102% (\$1.2m) in 2008 to 302% (\$2.8m) in 2011.	Actual controllable operating costs above forecasts in 5 years, ranging from 84% (\$703k) in 2008 to 318% (\$2.6m) in 2011.
Pioneer Water Supply	Actual total expenditure above forecasts in 4 years, ranging from 24% (\$312k) in 2008 to 188% (\$1.9m) in 2010 with 16% (\$190k) below forecasts in 2007.	Actual controllable operating costs below forecasts in 4 years, ranging from 2% (\$17k) in 2009 to 25% (\$242k) in 2010 with 15% (\$137k) above forecasts in 2011.
Proserpine Water Supply	Actual total expenditure below forecasts in 5 years, ranging from 21% (\$214k) in 2011 to 54% (\$565k) in 2008.	Actual controllable operating costs below forecasts in 5 years, ranging from 18% (\$195k) in 2011 to 51% (\$604k) in 2008.
St George Water Supply	Actual total expenditure above forecasts in 5 years, ranging from 10% (\$60k) in 2009 to 304% (\$1.9m) in 2011.	Actual controllable operating costs above forecasts in 5 years, ranging from 22% (\$89k) in 2009 to 435% (\$1.7m) in 2011.
Three Moon Water Supply	Actual total expenditure below forecasts in 5 years, ranging from 23% (\$134k) in 2010 to 58% (\$416k) in 2008.	Actual controllable operating costs below forecasts in 5 years, ranging from 21% (\$111k) in 2010 to 63% (\$419k) in 2008.
Upper Burnett Water Supply	Actual total expenditure below forecasts in 3 years, ranging from 12% (\$109k) in 2009 to 41% (\$466k) in 2008 with 113% (\$1.1m) above forecasts in 2011.	Actual controllable operating costs below forecasts in 4 years, ranging from 9% (\$72k) in 2009 to 47% (\$410k) in 2008 with 73% (\$590k) above forecasts in 2011.
Upper Condamine Water Supply	Actual total expenditure below forecasts in 3 years, ranging from 12% (\$210k) in 2007 to 15% (\$195k) in 2010 with 54% (\$616k) above forecasts in 2011.	Actual controllable operating costs below forecasts in 4 years, ranging from 2% (\$19k) in 2008 to 22% (\$227k) in 2010 with 24% (\$236k) above forecasts in 2011.

**Figure 3.3.3 Summary Outcomes at Service Contract Level – Actual Costs v Forecast Costs**

**(Part 2 of 2)**

The service contract analysis summarised in Figure 3.3.3 shows that:

- ▶ 12 service contracts experienced total expenditure (including R&E cash spend) above forecasts for 3 or more years;
- ▶ 18 service contracts experienced total expenditure (including R&E cash spend) below the forecasts for 3 or more years;
- ▶ 13 service contracts experienced operating expenditure (excluding R&E cash spend) above forecasts for 3 or more years; and
- ▶ 17 service contracts experienced operating expenditure (excluding R&E cash spend) below forecasts for 3 or more years.

### 3.4. Impacts on cost base arising from transfer of responsibilities to Seqwater

The Authority's ToR required Indec to determine the impacts on SunWater's cost base arising from the transfer of responsibilities to Seqwater.

The issue for consideration involves understanding the impact on SunWater's cost base after the transfer of the five water supply schemes to Seqwater in 2008/09, namely the Central Lockyer Valley, Lower Lockyer Valley, Logan River, Upper Mary and Warill Valley Water Supply Schemes represented by seven service contracts.

Figure 3.4.1 below shows the total actual costs, for the five year period ending 2010/11, relating to the service contracts associated with the delivery of irrigation water services, including the seven service contracts transferred to Seqwater in 2008/09.

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual
Operations	11,614,343	11,546,013	11,895,767	13,447,988	13,411,621
Electricity	5,972,303	5,000,795	4,649,995	6,863,897	3,424,090
Preventative Maintenance	5,549,944	4,709,385	4,803,019	5,272,363	4,505,234
Corrective Maintenance	4,292,363	6,000,294	5,515,826	4,417,932	7,558,420
Revenue Offsets	-3,136,319	-3,123,883	-3,057,316	-2,876,037	-2,584,107
Indirects & Overheads	25,536,878	22,049,066	21,568,059	19,598,456	22,109,406
<b>Total Operating Costs</b>	<b>49,829,513</b>	<b>46,181,670</b>	<b>45,375,350</b>	<b>46,724,599</b>	<b>48,424,664</b>
R & E (Direct)	6,906,907	6,625,103	9,597,259	14,141,134	15,546,366
R & E (Non-Direct)	2,265,672	2,537,146	3,145,269	5,191,635	4,245,571
<b>R &amp; E Cash Spend Costs</b>	<b>9,172,578</b>	<b>9,162,249</b>	<b>12,742,528</b>	<b>19,332,769</b>	<b>19,791,937</b>
<b>Total Expenditure</b>	<b>59,002,091</b>	<b>55,343,919</b>	<b>58,117,878</b>	<b>66,057,368</b>	<b>68,216,602</b>

**Figure 3.4.1 Total Actual Costs including schemes transferred to Seqwater (2010/11 real \$)**

Figure 3.4.2 below shows the actual costs, for the five year period ending 2010/11, relating to the service contracts associated with the delivery of irrigation water services, excluding the seven service contracts transferred to Seqwater in 2008/09.

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual
Operations	10,789,775	10,505,215	11,885,055	13,447,988	13,411,621
Electricity	5,936,515	4,970,638	4,634,325	6,863,897	3,424,090
Preventative Maintenance	5,190,042	4,399,368	4,796,846	5,272,363	4,505,234
Corrective Maintenance	4,178,637	5,883,751	5,513,790	4,417,932	7,558,420
Revenue Offsets	-3,135,550	-3,040,709	-3,057,316	-2,876,037	-2,584,107
Indirects & Overheads	23,042,988	20,098,321	21,560,592	19,598,456	22,109,406
<b>Total Operating Costs</b>	<b>46,002,407</b>	<b>42,816,584</b>	<b>45,333,293</b>	<b>46,724,599</b>	<b>48,424,664</b>
R & E (Direct)	6,509,853	6,319,567	9,600,791	14,141,134	15,546,366
R & E (Non-Direct)	2,148,411	2,440,235	3,144,264	5,191,635	4,245,571
<b>R &amp; E Cash Spend Costs</b>	<b>8,658,264</b>	<b>8,759,802</b>	<b>12,745,056</b>	<b>19,332,769</b>	<b>19,791,937</b>
<b>Total Expenditure</b>	<b>54,660,671</b>	<b>51,576,387</b>	<b>58,078,349</b>	<b>66,057,368</b>	<b>68,216,602</b>

**Figure 3.4.2 Total Actual Costs excluding schemes transferred to Seqwater (2010/11 real \$)**

Figure 3.4.3 below presents the difference between Figure 3.4.1 and Figure 3.4.2 or the total actual cost data associated with the five water supply schemes or seven service contracts transferred to Seqwater.

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual
Operations	824,568	1,040,798	10,712	0	0
Electricity	35,788	30,157	15,670	0	0
Preventative Maintenance	359,902	310,017	6,173	0	0
Corrective Maintenance	113,726	116,542	2,036	0	0
Revenue Offsets	-769	-83,174	0	0	0
Indirects & Overheads	2,493,890	1,950,745	7,466	0	0
<b>Total Operating Costs</b>	<b>3,827,106</b>	<b>3,365,086</b>	<b>42,057</b>	<b>0</b>	<b>0</b>
R & E (Direct)	397,053	305,536	-3,532	0	0
R & E (Non-Direct)	117,261	96,911	1,004	0	0
<b>R &amp; E Cash Spend Costs</b>	<b>514,314</b>	<b>402,447</b>	<b>-2,528</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>4,341,420</b>	<b>3,767,532</b>	<b>39,529</b>	<b>0</b>	<b>0</b>

**Figure 3.4.3 Total Actual Costs for schemes transferred to Seqwater (2010/11 real \$)**

As Figure 3.4.3 details, actual costs have been incurred in the 2007 and 2008 financial years relating to the five water supply schemes (7 service contracts) prior to the transfer to Seqwater. These costs totalled \$4.3m 2007 and \$3.8m in 2008. Some minor costs were incurred in 2009 and SunWater has advised that these cost related to dealing with residual issues associated with the transfer of the schemes.

The 2010 and 2011 financial years show zero costs associated with the five water supply schemes transferred to Seqwater, demonstrating that SunWater's costs base associated with those service contracts has reduced after the transfer of water supply schemes to Seqwater.

### 3.4.1. FTEs Transferred to Seqwater

SunWater provided Indec with the details of the employees transferred to Seqwater as a result of the water schemes being transferred. SunWater advised Indec that 40 SunWater employees were transferred to Seqwater and provided the details shown in Figure 3.4.4 below in terms of the FTE cost type indicating whether the employee was a direct cost, indirect cost, overhead or both.

Cost Type	FTEs No	FTEs %
Direct	22	55
Indirect	9	23
Overhead	3	8
Both	6	15
<b>Total</b>	<b>40</b>	<b>100</b>

**Figure 3.4.4 FTEs transferred to Seqwater**

Figure 3.4.4 implies that all types of costs including direct, indirect and overhead costs have been reduced due to the transfer of the water supply schemes to Seqwater. The dominant reduction in cost type by FTE count is direct in nature which represents 55% of the total FTEs transferred to Seqwater.

A further cross check on the cost reductions achieved is supported by the average implied cost of the FTEs transferred. A transfer of 40 FTE has resulted in a reduction of approximately \$4.0m of annual operating costs, representing an implied average FTE cost of approximately \$100,000, which includes full on-costs, indirect and overhead costs and other expenses.

Indec's analysis concludes that SunWater's cost base has reduced after the transfer of schemes to Seqwater in 2008. The transfer of 40 SunWater employees to Seqwater and other costs associated with the transferred schemes such as the use of contractors, materials and other expenses such as insurance, local authority rates and land tax have reduced SunWater's cost base.

### **3.4.2. Impacts on Indirect and Overhead Cost Allocation**

Indec assessed the impacts on the allocation of indirect and overhead costs, both prior to and after the transfer of the water supply schemes to Seqwater to understand if the transfer of the schemes had any impacts on the allocation of indirect and overhead costs. It should be noted that the actual allocation of indirect and overhead costs during 2006-07 to 2010-11 does not directly impact on irrigation tariffs during the 2006-07 and 2010-11 price path period. The analysis has been undertaken to observe if the actual indirect and overhead allocation trends may influence the setting of irrigation tariffs for the 2012-13 to 2016-17 price path.

Figure 3.4.5 below details the total indirect and overhead costs allocated to both irrigation and non-regulated activities during the 5 year period ending 2010-11, both in absolute and relative terms. SunWater has advised that indirect and overhead costs associated with commercial business development are not included in the allocation pools for allocating costs to irrigation and non-regulated service contracts. SunWater has advised the indirect and overhead costs associated with business development activities generally range between \$2 to \$3 million per year.

The data in Figure 3.4.5 was supplied by SunWater and Indec was cautioned that the reliability of the 2006-07 data is questionable as this data was captured under the previous finance system prior to the implementation of the BOM and on a different basis to how data is currently captured and reported.

<b>Real \$ 2010/11</b>					
<b>Business Activity</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Irrigation	33,071,916	30,133,600	27,537,591	29,099,707	26,890,725
Non-regulated	7,644,880	19,124,823	20,711,323	16,439,518	18,625,157
<b>Total</b>	<b>40,716,796</b>	<b>49,258,423</b>	<b>48,248,914</b>	<b>45,539,226</b>	<b>45,515,881</b>

  

<b>Business Activity</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Irrigation	81.2%	61.2%	57.1%	63.9%	59.1%
Non-regulated	18.8%	38.8%	42.9%	36.1%	40.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Figure 3.4.5 Indirect and Overhead Cost Allocation Analysis (real 2010/11 \$)**

Leaving the 2006-07 year aside due to the unreliability of the data, the analysis shows that 61.2% or \$30.1m of allocated indirect and overhead costs were allocated to irrigation based service contracts in 2007-08, which was the year prior to the transfer of the water supply schemes to Seqwater.

Since the transfer of schemes to Seqwater, the share of indirect and overhead costs allocated to irrigation based service contracts has declined in absolute terms from \$30.1m in 2007-08 to \$26.9m in 2010-11. In relative terms the percentage of allocated indirect and overhead costs increased in 2009-10 to 63.9% and declined to 59.1% in 2010-11, which is below the level observed in 2007-08 of 61.2%.

The conclusions from this analysis is that no adverse impacts can be observed on the share of allocated indirect and overhead costs made to irrigation based service contracts since the transfer of water supply schemes to Seqwater in 2008/09.

The more significant influence is the absolute level of indirect and overhead costs, which have declined since the transfer of schemes to Seqwater, and the relative share of actual labour costs between irrigation and non-regulated business activities. These two factors combined are the key drivers which determine the amount of indirect and overhead costs to be allocated and how the indirect and overhead costs are shared between irrigation and non-regulated activities.

The analysis is suggesting that these two factors have worked to the favour of irrigation based service contracts, with both the absolute and relative level of indirect and overhead costs allocated to irrigation based service contracts declining over the five year period.

Completing this analysis over the forecast period for the 2012-13 to 2016-17 irrigation price path would determine if the forecasts are based on the actual trend observed over the past few years or if a different set of circumstances are assumed to arise for the next irrigation price path. The analysis of indirect and overhead allocation for the 2012-13 to 2016-17 irrigation price path was outside the scope of this report.

### **3.5. Comparison of 2010-11 Efficient Costs to 2012/13 to 2016-17 Forecasts Costs**

The final output under the Authority's ToR required Indec to determine whether the proposed costs for the 2011-12 to 2016-17 irrigation price path reflect previously anticipated efficiency gains applied in the establishment of the 2006-07 to 2010-11 irrigation price paths based upon an analysis of actual and forecast costs for the previous period.

In undertaking this assessment, Indec has undertaken a comparative analysis of the forecast costs for the 2011-12 to 2016-17 irrigation price paths against the level of 2010-11 efficient costs determined as part of the 2006-07 to 2010-11 irrigation price paths. Indec has not been required to review if the efficient level of cost as determined during the 2006-07 to 2010-11 irrigation price paths remain relevant to the 2011-12 to 2016-17 irrigation price path.

It should be noted the scope of Indec's analysis did not include an assessment of SunWater's obligations, both in terms of regulatory and customer service standards, or a review of operation conditions and business practices to understand if any change to SunWater's efficient cost base is warranted since the previous irrigation price review. The operating environment, technology improvements, regulatory and customer driven obligations may have changed since the previous price review which could impact on SunWater's efficient cost base.

Indec's analysis in this report has not considered if SunWater's cost estimates are efficient or consistent with its current and proposed operating environment and the proposed regulatory and customer service obligations for the next price path. Such an assessment would require a detailed efficiency review based on an in depth analysis of costs, operating and management practices, business structure, regulatory and customer service standards to assess the appropriate level of cost inputs to produce a given level of outputs.

Based on discussions with the Authority, certain costs are excluded from this analysis. Electricity costs have been excluded as they are non-controllable costs and due to the difficulty of accurately forecasting electricity costs, arising from assumptions on unit electricity prices and the volumes of water to be pumped. R&E cash spend has also been excluded from this analysis as the revenue requirement for setting tariffs is based on the annuity and not the cash spend. Furthermore, the cash spend can be lumpy in nature and distort the analysis.



### 3.5.1. SunWater Total

Indec has undertaken the assessment at the SunWater total level for the 30 relevant service contracts, to identify if the cost forecasts for the 2011-12 to 2016-17 irrigation price path reflect the previously anticipated efficiency gains set during the 2006-07 to 2010-11 irrigation price paths. The relevant year for the comparative analysis is the 2010/11 efficient costs set during the 2006-07 to 2010-11 irrigation price paths.

An issue which impacts on this comparison at the activity level is the 2011-12 to 2016-17 forecasts include both direct and non-direct costs (indirect and overheads) at the activity level whereas the 2010/11 efficient forecast at the activity level include direct costs only, with indirect and overheads shown as a separate line item.

To enable a more relevant indicative comparison of direct costs by activity, Indec has adjusted SunWater's 2011-12 to 2016-17 forecasts costs to present activity level costs on a direct cost basis only and showing indirect and overheads as a separate line item. This enables an indicative comparison of direct costs only at the activity level and indirect and overheads as a separate cost item.

The comparison at the activity level is indicative only due to the assumptions applied in:

- ▶ allocating the efficiency savings in the 2010-11 efficient costs compared to how SunWater has achieved any efficiency savings at the activity level during the 2006-11 period and over the 2012-17 period; and
- ▶ estimating the overhead costs allocated to each activity which may not actually represent the actual amounts of indirect and overhead costs allocated to each activity. Indec has made this adjustment based on the information available in SunWater's NSPs.

Figure 3.5.1 below details the efficient controllable operating cost forecast for the 2010-11 year as determined during the setting of the 2006-07 to 2010-11 irrigation price paths and compares this against the 2011-12 and 2016-17 cost forecasts for the similar activities. The analysis in Figure 3.5.1 excludes electricity costs and R&E cash spend to focus on controllable operating costs, which was the focus of the Indec efficiency review as part of the 2005-06 to 2010-11 price paths.

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	13,642,626	12,398,027	12,497,887	12,524,347	12,553,521	12,540,428	12,525,267
Preventative Maintenance	5,098,217	6,074,480	6,146,463	6,184,339	6,221,044	6,258,674	6,270,134
Corrective Maintenance	3,441,843	3,716,410	3,764,606	3,798,404	3,837,351	3,878,599	3,897,110
Revenue Offsets	-844,095	-2,604,000	-2,584,000	-2,584,000	-2,578,000	-2,558,000	-2,543,000
Indirects & Overheads	16,900,605	19,448,083	20,887,044	21,499,911	21,286,084	20,610,300	19,955,489
<b>Total</b>	<b>38,239,194</b>	<b>39,033,000</b>	<b>40,712,000</b>	<b>41,423,000</b>	<b>41,320,000</b>	<b>40,730,000</b>	<b>40,105,000</b>
\$ Variance to 2011 Forecast		793,806	2,472,806	3,183,806	3,080,806	2,490,806	1,865,806
% Variance to 2011 Forecast		2.1%	6.5%	8.3%	8.1%	6.5%	4.9%

**Figure 3.5.1 Controllable Operating Costs Efficiency Savings Analysis (2010/11 real \$)**

The analysis contained in Figure 3.5.1 shows that the forecasts prepared by SunWater for the 2011/12 to 2016/17 period has set total costs above the level of costs for the 2010/11 year which includes previously anticipated efficiency gains applied in the establishment of the 2006-07 to 2010-11 irrigation price paths.

Figure 3.5.1 reveals that the forecasts from the 2012 year onwards are at least 2.1% or \$0.8m above the 2011 efficient forecasts and from 2013 to 2017 the forecasts are between 4.9% or \$1.9m and 8.3% or \$3.2m above the 2011 efficient forecast costs.

Indec does not infer from this analysis that SunWater should reduce its costs over the 2012 to 2017 period to the level of efficient costs determined for the 2011 year. Further analysis would be required to justify and support such an inference. Such an assessment would require a detailed efficiency review based on an in depth analysis of costs, operating and management practices, business structure, regulatory and customer service standards to assess the appropriate level of cost inputs to produce a given level of outputs.

In summary, Indec's analysis shows that the forecasts prepared by SunWater for the 2011-12 to 2016-17 period has set total costs above the level of costs for the 2010-11 year which includes previously anticipated efficiency gains applied in the establishment of the 2006-07 to 2010-11 irrigation price paths. The forecasts for the 2011-12 to 2016-17 period are at least 2.1% or \$0.8m above the 2010-11 forecasts in 2011-12 and for the 4 year period ending 2016-17 the forecasts are between 4.91% or \$1.9m and 8.3% or \$3.2m above the 2010-11 forecast costs. Indec's analysis did not include an assessment to determine the efficient level of costs relevant for the 2011-12 to 2016-17 period.

### **3.5.2. Service Contract Level**

Summary outcomes are presented in Figure 3.5.2 below for each service contract with more detailed analysis available in Appendix B for each year of the 6 year period ending 2016-17.

Service Contract	Controllable Operating Cost (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)
Bundaberg Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 3.6% (\$184k) in 2015 to 8.4% (\$427k) in 2012.
Burdekin Irrigation Distribution	Forecasts for 5 of the next 6 years are below the 2011 forecast, ranging from 0.3% (\$27k) in 2016 to 4.7% (\$402k) in 2012 with 0.3% (\$23k) above forecasts in 2015.
Dawson Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 13.6% (\$126k) in 2012 to 20.2% (\$188k) in 2015.
Emerald Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 37.6% (\$821k) in 2016 to 42.0% (\$918k) in 2012.
Eton Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 16.3% (\$349k) in 2015 to 20.3% (\$435k) in 2012.
Lower Mary Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 5.5% (\$32k) in 2012 to 10.9% (\$63k) in 2015.
Mareeba Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 34.3% (\$1.7m) in 2015 to 39.6% (\$1.9m) in 2012.
St George Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 43.6% (\$965k) in 2015 to 46.9% (\$1.0m) in 2012.
Barker Barambah Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 19.7% (\$176k) in 2014 to 27.5% (\$246k) in 2017.
Bowen Broken Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 291.4% (\$651k) in 2012 to 307.1% (\$686k) in 2014.
Boyne Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 1.2% (\$4k) in 2012 to 8.1% (\$28k) in 2014.
Bundaberg Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 161.8% (\$648k) in 2012 to 180.0% (\$721k) in 2014.
Burdekin Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 92.3% (\$1.4m) in 2012 to 106.5% (\$1.6m) in 2014.
Callide Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 6.9% (\$69k) in 2014 to 13.0% (\$129k) in 2012.
Chinchilla Weir Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 47.7% (\$63k) in 2014 to 50.0% (\$66k) in 2012.
Cunnamulla Weir Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 44.6% (\$42k) in 2014 to 65.9% (\$62k) in 2012.
Dawson Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 6.0% (\$49k) in 2012 to 13.9% (\$114k) in 2014.
Eton Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 2981.0% (\$1.2m) in 2012 to 3192.5% (\$1.3m) in 2014.
Lower Fitzroy Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 800.9% (\$240k) in 2012 to 870.9% (\$261k) in 2014.
Lower Mary Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 717.3% (\$240k) in 2012 to 779.9% (\$261k) in 2014.
Macintyre Brook Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 23.7% (\$161k) in 2012 to 37.3% (\$253k) in 2014.
Maranoa Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 68.1% (\$68k) in 2014 to 70.1% (\$70k) in 2012.
Mareeba Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 196.2% (\$599k) in 2017 to 211.3% (\$645k) in 2014.
Nogoa Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 178.7% (\$1.4m) in 2012 to 201.7% (\$1.5m) in 2014.
Pioneer Water Supply	Forecasts for 5 of the next 6 years are above the 2011 forecast, ranging from 1.2% (\$10k) in 2017 to 5.7% (\$50k) in 2014 with 1.7% (\$15k) below forecasts in 2012.
Proserpine Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 26.5% (\$242k) in 2014 to 31.9% (\$292k) in 2012.
St George Water Supply	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 140.4% (\$541k) in 2012 to 159.4% (\$614k) in 2014.
Three Moon Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 37.1% (\$198k) in 2014 to 41.2% (\$220k) in 2012.
Upper Burnett Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 11.5% (\$93k) in 2014 to 17.4% (\$140k) in 2012.
Upper Condamine Water Supply	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 1.9% (\$18k) in 2014 to 9.0% (\$87k) in 2012.

**Figure 3.5.2 Summary Outcomes at Service Contract Level – Efficiency savings analysis**

The summary results in Figure 3.5.2 show that 14 service contracts involve 2011/12 to 2016/17 forecast costs above the efficient level of 2010/11 forecast costs in all years with a further service contract above the efficient level of 2010/11 forecast costs in five of the six years. On the other hand, 14 service contracts have 2011/12 to 2016/17 forecast costs below the efficient level of 2010/11 forecast costs in all years with a further service contract below the efficient level of 2010/11 forecast costs in five years over the six year period.

### **3.5.3. Bulk Supply and Distribution Service Contracts**

The comparisons at the service contract level in Section 3.5.2 may be showing an anomaly with six bulk supply service contracts above the efficient level of 2010/11 forecast costs and the related six distribution service contracts below the efficient level of 2010/11 forecast costs. The remaining two bulk supply service contracts and the two related distribution service contracts are all above the efficient level of 2010/11 forecast costs.

In the time available between receipt of data from SunWater and the finalisation of this report, Indec was unable to investigate this matter in any great depth to understand the issue further and identify if any impacts arise on the analysis and comparisons in this report.

The introduction of the bulk supply and distribution service contract structure to unbundle the eight water supply schemes with both bulk supply and distribution assets may have involved a potential change in SunWater's approach to allocate capital and operating costs to the respective service contracts.

It should be noted that the allocation of the proposed efficiency savings to the respective bulk supply and distribution service contracts is influenced by the cost allocation process between bulk supply and distribution service contracts.

As the significance and materiality of any impacts are unknown to Indec, the comparison of forecasts from the previous price path to the current price path for those 16 service contracts which have a relationship between the bulk supply and distribution systems may be impacted by any changes resulting from the introduction of the unbundled concept. One method of overcoming this issue is to combine or bundle the bulk supply and distribution service contracts to remove the anomalies associated with the change in allocation of bulk supply costs to water allocations including distribution losses.

Table 3.5.3 below provides an analysis on a bundled service contract basis to overcome the issue associated with the change in allocation methodology of headworks costs to identify if the efficiency savings as part of the 2006-07 to 2010-11 irrigation price paths are the basis for the 2011-16 irrigation price paths.

The analysis at the bundled service contract level is showing that six bundled service contracts involve 2011/12 to 2016/17 forecast costs above the efficient level of 2010/11 forecast costs and two bundled service contracts have 2011/12 to 2016/17 forecast costs below the efficient level of 2010/11 forecast costs.

Bundled Service Contract	Controllable Operating Cost (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)
Bundaberg Water Supply Bundaberg Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 4.0% (\$220k) in 2012 to 9.5% (\$522k) in 2015.
Burdekin Water Supply Burdekin Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 9.7% (\$960k) in 2012 to 15.5% (\$1.5m) in 2015.
Dawson Water Supply Dawson Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 10.0% (\$175k) in 2012 to 17.0% (\$297k) in 2014.
Nogoa Water Supply Emerald Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 14.8% (\$435k) in 2012 to 23.3% (\$685k) in 2014.
Eton Water Supply Eton Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 35.0% (\$763k) in 2012 to 42.3% (\$924k) in 2014.
Lower Mary Water Supply Lower Mary Irrigation Distribution	Forecasts for 6 of the next 6 years are above the 2011 forecast, ranging from 44.8% (\$272k) in 2012 to 53.0% (\$322k) in 2014.
Mareeba Water Supply Mareeba Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 19.9% (\$1.0m) in 2015 to 25.1% (\$1.3m) in 2012.
St George Water Supply St George Irrigation Distribution	Forecasts for 6 of the next 6 years are below the 2011 forecast, ranging from 13.8% (\$358k) in 2014 to 19.2% (\$498k) in 2012.

**Figure 3.5.3 Summary Outcomes for Bundled Service Contract Analysis – Efficiency savings analysis**

Further analysis at the bundled service contract level can be found in Appendix C which shows detailed analysis for each year of the six year period ending 2016-17.

**APPENDIX A**  
**Terms of Reference**

## Terms of Reference

### SunWater Water Supply Schemes 2011-2016 Price Paths

#### Part (B) Review of the SunWater Pricing Model - Component 2; and Other Concurrent Activities

2 June 2011

##### 1. Project Background

The Authority engaged INDEC Pty Ltd under to Terms of Reference dated 21 September 2010 to undertake:

- (a) an audit of SunWater's Business Operating Model (BOM);
- (b) a review of SunWater's Financial Model (SFM) to be undertaken in a two stage process (Components 1 and 2); and
- (c) other concurrent activities, including providing ad-hoc advice and peering group reviews in relation to the outcomes of other consultancies.

INDEC Pty Ltd submitted its final reports in relation to the Audit of SunWater's BOM and Component 1 of the Review of SunWater's Financial Model in late March 2011.

##### 2. Purpose and Requirements of Consultancy

The purpose of these Terms of Reference is to confirm and detail the Authority's requirements in relation to:

- (a) Component 2 of the review of SunWater's Financial Model; and
- (b) Other Concurrent Activities.

##### 3. Component 2 - Review of the SunWater Financial Model (pricing version)

Under Component 1 of the review of SunWater's Financial Model, INDEC Pty Ltd undertook an audit to establish the integrity and robustness of a preliminary version the SunWater Financial Model (SFM) (Version 601).

Subsequently, in January 2011, SunWater used a revised version of its SFM to generate Network Service Plans (NSPs) for each of its irrigation water supply schemes (WSSs).

The Authority intends to generate draft prices for each tariff group for each WSS by:

- (a) incorporating a pricing module into the SFM (subsequent to version 601) to allow tariffs to be generated according to the Authority's pricing principles;
- (b) modifying (some) SFM costs at a scheme, regional and head office level; and
- (c) applying alternative approaches to overhead and indirect cost allocation.

Therefore, it will be necessary for the consultant to review the version of the SFM used to generate the January 2011 NSPs and to:

- (a) identify any changes incorporated into the SFM following completion of the Component 1 audit;
- (b) assess the appropriateness, validity and impact of any changes identified in (a) above
- (c) review the modules of the SFM not reviewed during the Component 1 review;
- (d) review the logic and integrity of SunWater's electricity forecasting model which is a separate model to the SFM and provides static electricity cost inputs into the SFM;
- (e) review the logic and integrity of the Authority's pricing module;
- (f) ensure all changes to costs, once finalised by the Authority, are correctly incorporated; and
- (g) ensure all changes to overhead and indirect cost allocation approaches, once finalised by the Authority, are correctly incorporated.

The above will necessarily include a review of the transfer of information between other models into the SFM, where applicable, and into scheme service contract spreadsheets within the SFM.

#### **4. Other Concurrent Activities**

The Authority also requires the consultant to undertake the following concurrent activities:

- (a) SunWater's Forecast Total Costs 2005-06 to 2010-11:
  - (i) provide the Authority with an electronic file containing relevant details of SunWater's total forecast expenditure, including efficiency gains (proposed by the Tier 1 Group) and the annual rate of cost escalation applied to the period 2006-07 to 2010-11 at the service contract level ie bulk supply and distribution.
  - (ii) an additional step may involve the disaggregation of the cost data for each tariff group;
  - (iii) an additional step may involve the restatement of the allocation of overhead costs in the forecast data to broadly replicate the existing overhead allocation methodology applied to actual data to enable a more direct comparison of forecast cost with actual costs.
  - (iv) determine whether:
    - SunWater implemented previously proposed efficiency gains;
    - SunWater reduced its cost base to reflect the loss of SEQ water responsibilities; and
    - SunWater's proposed costs for the 2011-16 price path reflect previously anticipated efficiency gains based upon an analysis of actual and forecast costs for the previous period;



- (b) Undertake an analysis of fixed and variable costs for each service contract ie bulk supply and distribution and an additional step may involve an analysis at the proposed tariff group level:
- (i) establish the causal rationale (that is, explain the relationship to be expected) between water use and the variable costs (that is, costs which may vary over the five year regulatory period) of activities identified in NSPs;
  - (ii) establish whether there are any other discernible drivers of variable costs; and
  - (iii) for each service contract, estimate the portion of scheme costs proposed for 2011-12 to 2016-17 that vary according to water use and other drivers (as agreed with the Authority).
  - (iv) If requested by the Authority, for each tariff group in each scheme, estimate the portion of scheme costs proposed for 2011-12 to 2016-17 that vary according to water use and other drivers (as agreed with the Authority), and quantify it in terms of \$ per ML delivered.

For this purpose the consultant should:

- (i) identify the proposed methodology to be applied; and
  - (ii) take into account an optimal (prudent and efficient) management approach that considers SunWater's operating environment.
- (c) Undertake an analysis of 2006-07 to 2010-11 renewals expenditure.

For each SunWater service contract :

- (i) provide an electronic file of SunWater's forecast renewals annuities for 2006-07 to 2010-11 on a project by project basis excluding overheads;
- (ii) compare previously forecast renewals expenditures from 2006-07 to 2010-11 excluding overheads with:
  - actual expenditure over that period excluding overheads;
  - an adjusted renewals forecast based on an index to be advised by the Authority before the commencement of the consultancy;
  - an adjusted renewals forecast based on SunWater's approach proposed for the next price path; and
  - an adjusted renewals forecast based on actual ABS annual rates of inflation for the period;
- (iii) identify for those service contracts where actual costs have exceeded forecast costs by 30% over the indexed estimated costs for each irrigation service contract;
- (iv) for those service contracts identified in (iii) above, identify projects the cost of which exceeds 5% of total annual renewals costs;

- (v) review SunWater's proposed methodology for converting the 22 scheme ARR balances into separate ARR balances for each distribution system and bulk segment; and
- (vi) determine whether the application of the methodology adopted by SunWater in (v) above generates an appropriate result and, if not, recommend adjusted opening balances for relevant scheme segments for 2012-13.

For (ii), the consultant is to identify and adjust for unplanned expenditure during that period (details to be sought from and provided by SunWater) and for any expenditure deemed not to be prudent by the Authority.

For (ii), the consultant is to include in its proposal the option to undertake this analysis including overheads costs.

## 5. Proposal Specifications and Fees

The proposal should include the name, address and legal status of the tenderer, and provide:

- (a) a fixed price quote for the provision of the services for Component 2 of the Review of SunWater's Pricing Model; and
- (b) separate fixed price quote for undertaking each of the three components of the other concurrent activities.

The fee quoted is to be inclusive of all expenses and disbursements. A full breakdown of consultancy costs will be required with staff costs reconciled to the consultancy work plan.

Total payment will be made within 28 days of receiving an invoice at the conclusion of the consultancy.

## 6. Resources/Data Provided

The consultant will be required to source information from relevant agencies as well as taking into account the following reports:

- (a) SunWater (2006) Irrigation Price Paths 2006/07-2010/11 Final Report [http://www.sunwater.com.au/irrigationpricing/SunWater Irrigation Price Paths Final Report.pdf](http://www.sunwater.com.au/irrigationpricing/SunWater_Irrigation_Price_Paths_Final_Report.pdf);
- (b) Queensland Competition Authority (2000), *Statement of Regulatory Pricing Principles for the Water Sector*, December 2000. <http://www.qca.org.au/files/PricingPrinciples.pdf>; and
- (c) SunWater's SAP based asset and financial management system and pricing model including supporting data templates.

Additional information relevant to this consultancy may also be found in the Authority's publications, available from the Authority or for downloading from its website at [www.qca.org.au](http://www.qca.org.au)

The consultancy will commence in June 2011.

Dates for completion will be determined at the time of appointment.

Dates should be presented to the Authority as part of a detailed project plan submitted by the consultant for the Authority's approval. For this project, the consultant agrees that the Authority may provide the consultant's detailed project plan to SunWater.

## **7. Contractual Arrangements**

This consultancy will **only** be offered in accordance with the Authority's standard contractual agreement.

This agreement can be viewed at <http://www.qca.org.au/about/consultancyagreement.php>

## **8. Reporting**

The consultant will be required to provide the Authority with progress reports on an "as needs" basis or at least weekly and drafts of final reports will be required prior to project completion. If necessary, the consultant should advise at earliest opportunity any critical issues that may impede progress of the consultancy, particularly issues that impact on the successful delivery of the purpose and requirements of the consultancy as outlined in section 2 above.

At the conclusion of the consultancy, the consultant will be required to provide the Authority with a personal presentation on the findings of the analysis in addition to presenting three (3) copies of a written report. An electronic version of the final report is also required, saved in Microsoft® Word with any numeric data in Microsoft® Excel.

## **9. Confidentiality**

Under no circumstances is the selected consultant to divulge any information obtained from the Authority for the purposes of this consultancy to any party other than with the express permission of the Authority.

## **10. Conflicts of Interest**

For the purpose of this consultancy, the consultant is required to affirm that there is no, and will not be any, conflict of interest as a result of this consultancy.

## **11. Insurance**

The consultant must hold all necessary work cover and professional indemnity insurance.

## **12. Quality Assurance**

The consultant is required to include details of quality assurance procedures to be applied to all information and outputs provided to the Authority.

**APPENDIX B**

**Service Contract Analysis Tables**

## Bundaberg Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	883,536	830,872	971,326	1,164,567	1,057,599	1,701,732	1,560,364	1,515,368	1,523,247	1,498,051
Electricity	2,045,934	1,292,132	1,178,987	2,244,627	858,527	2,531,521	2,531,521	2,531,521	2,531,521	2,531,521
Preventative Maintenance	904,741	801,264	853,738	886,627	763,363	939,190	822,961	790,453	792,939	821,022
Corrective Maintenance	527,724	419,905	525,808	686,954	958,683	683,738	604,172	754,018	692,419	601,533
Revenue Offsets	-840,751	-311,399	-223,987	-113,137	-52,505	-11,115	-11,115	-11,115	-11,115	-11,115
Indirects & Overheads	2,352,388	2,280,527	2,517,203	2,425,106	2,349,101	2,909,406	2,344,942	2,376,278	2,245,455	2,186,750
<b>Total Operating Costs</b>	<b>5,873,572</b>	<b>5,313,301</b>	<b>5,823,074</b>	<b>7,294,744</b>	<b>5,934,769</b>	<b>8,754,472</b>	<b>7,852,846</b>	<b>7,956,523</b>	<b>7,774,467</b>	<b>7,627,763</b>
R & E (Direct)	1,137,577	730,623	707,010	975,711	1,560,223	944,770	740,844	518,332	798,984	995,822
R & E (Non-Direct)	369,004	346,417	262,215	612,068	519,639	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,506,582</b>	<b>1,077,040</b>	<b>969,226</b>	<b>1,587,778</b>	<b>2,079,862</b>	<b>944,770</b>	<b>740,844</b>	<b>518,332</b>	<b>798,984</b>	<b>995,822</b>
<b>Total Expenditure</b>	<b>7,380,154</b>	<b>6,390,341</b>	<b>6,792,300</b>	<b>8,882,522</b>	<b>8,014,630</b>	<b>9,699,242</b>	<b>8,593,690</b>	<b>8,474,855</b>	<b>8,573,451</b>	<b>8,623,585</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-818,196	-729,492	-544,042	-358,680	-440,453	-48%	-47%	-36%	-24%	-29%
Electricity	-885,587	-1,239,389	-1,352,534	-286,894	-1,672,994	-19%	-49%	-53%	-11%	-66%
Preventative Maintenance	-34,449	-21,697	63,285	93,688	-57,659	-4%	-3%	8%	12%	-7%
Corrective Maintenance	-156,014	-184,267	-228,211	-5,466	357,149	-23%	-30%	-30%	-1%	59%
Revenue Offsets	-829,636	-300,284	-212,872	-102,023	-41,390	7464%	2702%	1915%	918%	372%
Indirects & Overheads	-557,018	-64,415	140,925	179,651	162,352	-19%	-3%	6%	8%	7%
<b>Total Operating Costs</b>	<b>-2,880,900</b>	<b>-2,539,545</b>	<b>-2,133,449</b>	<b>-479,723</b>	<b>-1,692,995</b>	<b>-33%</b>	<b>-32%</b>	<b>-27%</b>	<b>-6%</b>	<b>-22%</b>
R & E (Direct)	192,808	-10,221	188,679	176,727	564,401	20%	-1%	36%	22%	57%
R & E (Non-Direct)	369,004	346,417	262,215	612,068	519,639	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>561,812</b>	<b>336,196</b>	<b>450,894</b>	<b>788,794</b>	<b>1,084,040</b>	<b>59%</b>	<b>45%</b>	<b>87%</b>	<b>99%</b>	<b>109%</b>
<b>Total Expenditure</b>	<b>-2,319,088</b>	<b>-2,203,349</b>	<b>-1,682,555</b>	<b>309,071</b>	<b>-608,955</b>	<b>-24%</b>	<b>-26%</b>	<b>-20%</b>	<b>4%</b>	<b>-7%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	883,536	830,872	971,326	1,164,567	1,057,599	1,701,732	1,560,364	1,515,368	1,523,247	1,498,051
Preventative Maintenance	904,741	801,264	853,738	886,627	763,363	939,190	822,961	790,453	792,939	821,022
Corrective Maintenance	527,724	419,905	525,808	686,954	958,683	683,738	604,172	754,018	692,419	601,533
Indirects & Overheads	2,352,388	2,280,527	2,517,203	2,425,106	2,349,101	2,909,406	2,344,942	2,376,278	2,245,455	2,186,750
<b>Total Controllable Operating Costs</b>	<b>4,668,389</b>	<b>4,332,568</b>	<b>4,868,074</b>	<b>5,163,254</b>	<b>5,128,746</b>	<b>6,234,066</b>	<b>5,332,439</b>	<b>5,436,117</b>	<b>5,254,061</b>	<b>5,107,357</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-818,196	-729,492	-544,042	-358,680	-440,453	-48%	-47%	-36%	-24%	-29%
Preventative Maintenance	-34,449	-21,697	63,285	93,688	-57,659	-4%	-3%	8%	12%	-7%
Corrective Maintenance	-156,014	-184,267	-228,211	-5,466	357,149	-23%	-30%	-30%	-1%	59%
Indirects & Overheads	-557,018	-64,415	140,925	179,651	162,352	-19%	-3%	6%	8%	7%
<b>Total Controllable Operating Costs</b>	<b>-1,565,677</b>	<b>-999,871</b>	<b>-568,042</b>	<b>-90,806</b>	<b>21,389</b>	<b>-25%</b>	<b>-19%</b>	<b>-10%</b>	<b>-2%</b>	<b>0%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,498,051	1,217,626	1,230,387	1,232,843	1,235,478	1,236,931	1,236,020
Preventative Maintenance	821,022	925,996	938,265	942,985	948,459	954,594	954,903
Corrective Maintenance	601,533	534,378	541,348	544,092	547,603	550,475	551,077
Revenue Offsets	-11,115	-152,000	-152,000	-152,000	-151,000	-151,000	-151,000
Indirects & Overheads	2,186,750	2,143,000	2,281,000	2,319,080	2,331,460	2,279,000	2,174,000
<b>Total</b>	<b>5,096,242</b>	<b>4,669,000</b>	<b>4,839,000</b>	<b>4,887,000</b>	<b>4,912,000</b>	<b>4,870,000</b>	<b>4,765,000</b>
\$ Variance to 2011 Forecast		-427,242	-257,242	-209,242	-184,242	-226,242	-331,242
% Variance to 2011 Forecast		-8.4%	-5.0%	-4.1%	-3.6%	-4.4%	-6.5%

## Burdekin Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	1,478,744	1,807,137	1,711,031	1,888,797	2,156,402	2,629,480	2,626,609	2,591,386	2,611,085	2,545,239
Electricity	2,679,601	2,433,333	2,421,370	3,166,942	1,827,359	3,921,189	3,921,189	3,921,189	3,921,189	3,921,189
Preventative Maintenance	1,641,319	1,641,684	1,795,632	2,178,423	1,587,604	1,631,259	1,578,789	1,618,552	1,611,022	1,581,923
Corrective Maintenance	937,270	2,562,909	1,806,240	783,049	1,184,527	864,003	812,115	809,079	822,039	944,102
Revenue Offsets	-620,666	-616,362	-646,219	-631,217	-616,695	-26,197	-26,197	-26,197	-26,197	-26,197
Indirects & Overheads	4,360,291	3,303,287	3,373,250	2,925,940	3,505,902	3,813,524	3,639,471	3,474,704	3,354,090	3,428,124
<b>Total Operating Costs</b>	<b>10,476,560</b>	<b>11,131,987</b>	<b>10,461,303</b>	<b>10,311,935</b>	<b>9,645,099</b>	<b>12,833,259</b>	<b>12,551,977</b>	<b>12,388,712</b>	<b>12,293,228</b>	<b>12,394,380</b>
R & E (Direct)	991,750	738,354	2,650,203	2,432,945	2,631,903	1,868,040	1,454,106	2,628,884	2,746,460	1,972,224
R & E (Non-Direct)	259,429	298,875	774,390	629,233	610,669	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,251,179</b>	<b>1,037,229</b>	<b>3,424,593</b>	<b>3,062,177</b>	<b>3,242,572</b>	<b>1,868,040</b>	<b>1,454,106</b>	<b>2,628,884</b>	<b>2,746,460</b>	<b>1,972,224</b>
<b>Total Expenditure</b>	<b>11,727,739</b>	<b>12,169,217</b>	<b>13,885,896</b>	<b>13,374,112</b>	<b>12,887,671</b>	<b>14,701,299</b>	<b>14,006,083</b>	<b>15,017,596</b>	<b>15,039,688</b>	<b>14,366,604</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-1,150,736	-819,473	-880,355	-722,288	-388,837	-44%	-31%	-34%	-28%	-15%
Electricity	-1,241,588	-1,487,856	-1,499,819	-754,247	-2,093,830	-32%	-38%	-38%	-19%	-53%
Preventative Maintenance	10,060	62,895	177,080	567,402	5,681	1%	4%	11%	35%	0%
Corrective Maintenance	73,267	1,750,794	997,161	-38,989	240,426	8%	216%	123%	-5%	25%
Revenue Offsets	-594,469	-590,166	-620,023	-605,020	-590,499	2269%	2253%	2367%	2310%	2254%
Indirects & Overheads	546,767	-336,184	-101,453	-428,150	77,778	14%	-9%	-3%	-13%	2%
<b>Total Operating Costs</b>	<b>-2,356,699</b>	<b>-1,419,990</b>	<b>-1,927,409</b>	<b>-1,981,293</b>	<b>-2,749,281</b>	<b>-18%</b>	<b>-11%</b>	<b>-16%</b>	<b>-16%</b>	<b>-22%</b>
R & E (Direct)	-876,289	-715,752	21,319	-313,515	659,679	-47%	-49%	1%	-11%	33%
R & E (Non-Direct)	259,429	298,875	774,390	629,233	610,669	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-616,860</b>	<b>-416,877</b>	<b>795,709</b>	<b>315,717</b>	<b>1,270,348</b>	<b>-33%</b>	<b>-29%</b>	<b>30%</b>	<b>11%</b>	<b>64%</b>
<b>Total Expenditure</b>	<b>-2,973,560</b>	<b>-1,836,867</b>	<b>-1,131,700</b>	<b>-1,665,576</b>	<b>-1,478,933</b>	<b>-20%</b>	<b>-13%</b>	<b>-8%</b>	<b>-11%</b>	<b>-10%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	1,478,744	1,807,137	1,711,031	1,888,797	2,156,402	2,629,480	2,626,609	2,591,386	2,611,085	2,545,239
Preventative Maintenance	1,641,319	1,641,684	1,795,632	2,178,423	1,587,604	1,631,259	1,578,789	1,618,552	1,611,022	1,581,923
Corrective Maintenance	937,270	2,562,909	1,806,240	783,049	1,184,527	864,003	812,115	809,079	822,039	944,102
Indirects & Overheads	4,360,291	3,303,287	3,373,250	2,925,940	3,505,902	3,813,524	3,639,471	3,474,704	3,354,090	3,428,124
<b>Total Controllable Operating Costs</b>	<b>8,417,624</b>	<b>9,315,017</b>	<b>8,686,152</b>	<b>7,776,209</b>	<b>8,434,435</b>	<b>8,938,267</b>	<b>8,656,985</b>	<b>8,493,720</b>	<b>8,398,236</b>	<b>8,499,388</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-1,150,736	-819,473	-880,355	-722,288	-388,837	-44%	-31%	-34%	-28%	-15%
Preventative Maintenance	10,060	62,895	177,080	567,402	5,681	1%	4%	11%	35%	0%
Corrective Maintenance	73,267	1,750,794	997,161	-38,989	240,426	8%	216%	123%	-5%	25%
Indirects & Overheads	546,767	-336,184	-101,453	-428,150	77,778	14%	-9%	-3%	-13%	2%
<b>Total Controllable Operating Costs</b>	<b>-520,642</b>	<b>658,032</b>	<b>192,432</b>	<b>-622,026</b>	<b>-64,953</b>	<b>-6%</b>	<b>8%</b>	<b>2%</b>	<b>-7%</b>	<b>-1%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	2,545,239	2,473,204	2,506,560	2,515,786	2,523,161	2,525,223	2,516,590
Preventative Maintenance	1,581,923	1,936,920	1,955,283	1,970,571	1,988,983	2,011,811	2,019,846
Corrective Maintenance	944,102	856,482	868,157	874,234	880,447	887,564	887,564
Revenue Offsets	-26,197	-630,000	-630,000	-630,000	-630,000	-630,000	-630,000
Indirects & Overheads	3,428,124	3,434,395	3,652,000	3,714,409	3,733,409	3,651,402	3,486,000
<b>Total</b>	<b>8,473,191</b>	<b>8,071,000</b>	<b>8,352,000</b>	<b>8,445,000</b>	<b>8,496,000</b>	<b>8,446,000</b>	<b>8,280,000</b>
\$ Variance to 2011 Forecast		-402,191	-121,191	-28,191	22,809	-27,191	-193,191
% Variance to 2011 Forecast		-4.7%	-1.4%	-0.3%	0.3%	-0.3%	-2.3%

## Dawson Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	103,285	106,936	161,273	146,834	119,348	304,532	286,307	237,690	226,266	224,000
Electricity	87,025	73,250	108,847	108,929	23,532	87,263	87,263	87,263	87,263	87,263
Preventative Maintenance	127,273	120,519	192,673	157,387	151,178	197,452	197,798	200,986	225,161	203,910
Corrective Maintenance	123,074	172,184	188,779	102,618	657,243	67,532	69,952	67,532	79,810	75,266
Revenue Offsets	-54,506	-62,110	-55,605	-57,945	-47,634	-7,134	-7,134	-7,134	-7,134	-7,134
Indirects & Overheads	446,768	584,405	632,858	478,412	606,013	494,647	481,299	432,009	437,597	433,047
<b>Total Operating Costs</b>	<b>832,919</b>	<b>995,184</b>	<b>1,228,826</b>	<b>936,235</b>	<b>1,509,680</b>	<b>1,144,293</b>	<b>1,115,486</b>	<b>1,018,346</b>	<b>1,048,964</b>	<b>1,016,352</b>
R & E (Direct)	0	47,850	120,766	480,859	894,077	97,876	174,114	120,868	207,524	195,981
R & E (Non-Direct)	0	16,120	25,300	89,017	310,354	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>0</b>	<b>63,970</b>	<b>146,066</b>	<b>569,876</b>	<b>1,204,430</b>	<b>97,876</b>	<b>174,114</b>	<b>120,868</b>	<b>207,524</b>	<b>195,981</b>
<b>Total Expenditure</b>	<b>832,919</b>	<b>1,059,154</b>	<b>1,374,892</b>	<b>1,506,111</b>	<b>2,714,110</b>	<b>1,242,168</b>	<b>1,289,600</b>	<b>1,139,214</b>	<b>1,256,488</b>	<b>1,212,333</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-201,248	-179,371	-76,417	-79,432	-104,651	-66%	-63%	-32%	-35%	-47%
Electricity	-238	-14,013	21,584	21,666	-63,731	-0%	-16%	25%	25%	-73%
Preventative Maintenance	-70,179	-77,279	-8,313	-67,774	-52,732	-36%	-39%	-4%	-30%	-26%
Corrective Maintenance	55,543	102,232	121,247	22,808	581,977	82%	146%	180%	29%	773%
Revenue Offsets	-47,372	-54,976	-48,471	-50,811	-40,501	664%	771%	679%	712%	568%
Indirects & Overheads	-47,880	103,106	200,849	40,815	172,966	-10%	21%	46%	9%	40%
<b>Total Operating Costs</b>	<b>-311,374</b>	<b>-120,302</b>	<b>210,479</b>	<b>-112,729</b>	<b>493,328</b>	<b>-27%</b>	<b>-11%</b>	<b>21%</b>	<b>-11%</b>	<b>49%</b>
R & E (Direct)	-97,876	-126,264	-102	273,335	698,096	-100%	-73%	0%	132%	356%
R & E (Non-Direct)	0	16,120	25,300	89,017	310,354	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-97,876</b>	<b>-110,144</b>	<b>25,198</b>	<b>362,352</b>	<b>1,008,449</b>	<b>-100%</b>	<b>-63%</b>	<b>21%</b>	<b>175%</b>	<b>515%</b>
<b>Total Expenditure</b>	<b>-409,249</b>	<b>-230,446</b>	<b>235,677</b>	<b>249,624</b>	<b>1,501,778</b>	<b>-33%</b>	<b>-18%</b>	<b>21%</b>	<b>20%</b>	<b>124%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	103,285	106,936	161,273	146,834	119,348	304,532	286,307	237,690	226,266	224,000
Preventative Maintenance	127,273	120,519	192,673	157,387	151,178	197,452	197,798	200,986	225,161	203,910
Corrective Maintenance	123,074	172,184	188,779	102,618	657,243	67,532	69,952	67,532	79,810	75,266
Indirects & Overheads	446,768	584,405	632,858	478,412	606,013	494,647	481,299	432,009	437,597	433,047
<b>Total Controllable Operating Costs</b>	<b>800,399</b>	<b>984,044</b>	<b>1,175,583</b>	<b>885,251</b>	<b>1,533,782</b>	<b>1,064,163</b>	<b>1,035,356</b>	<b>938,217</b>	<b>968,834</b>	<b>936,222</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-201,248	-179,371	-76,417	-79,432	-104,651	-66%	-63%	-32%	-35%	-47%
Preventative Maintenance	-70,179	-77,279	-8,313	-67,774	-52,732	-36%	-39%	-4%	-30%	-26%
Corrective Maintenance	55,543	102,232	121,247	22,808	581,977	82%	146%	180%	29%	773%
Indirects & Overheads	-47,880	103,106	200,849	40,815	172,966	-10%	21%	46%	9%	40%
<b>Total Controllable Operating Costs</b>	<b>-263,764</b>	<b>-51,313</b>	<b>237,367</b>	<b>-83,583</b>	<b>597,560</b>	<b>-25%</b>	<b>-5%</b>	<b>25%</b>	<b>-9%</b>	<b>64%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	224,000	258,243	262,598	263,469	263,765	263,825	262,943
Preventative Maintenance	203,910	188,886	191,068	191,527	192,824	193,890	194,736
Corrective Maintenance	75,266	98,870	100,334	101,004	101,411	101,768	101,816
Revenue Offsets	-7,134	-55,000	-55,000	-55,000	-55,000	-55,000	-53,000
Indirects & Overheads	433,047	564,000	600,000	611,000	614,000	600,518	572,506
<b>Total</b>	<b>929,089</b>	<b>1,055,000</b>	<b>1,099,000</b>	<b>1,112,000</b>	<b>1,117,000</b>	<b>1,105,000</b>	<b>1,079,000</b>
\$ Variance to 2011 Forecast		125,911	169,911	182,911	187,911	175,911	149,911
% Variance to 2011 Forecast		13.6%	18.3%	19.7%	20.2%	18.9%	16.1%

## Emerald Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	225,599	298,969	399,009	416,139	382,083	925,969	829,238	806,398	790,450	779,351
Electricity	166,140	86,163	63,672	47,035	31,512	265,491	265,491	265,491	265,491	265,491
Preventative Maintenance	254,140	299,147	316,005	364,830	358,338	395,401	425,769	425,725	448,674	435,728
Corrective Maintenance	463,210	213,976	310,378	117,234	264,787	31,282	45,083	41,336	46,882	55,501
Revenue Offsets	-417,554	-528,651	-569,574	-557,959	-499,645	-209,271	-209,271	-209,271	-209,271	-209,271
Indirects & Overheads	991,061	634,498	960,045	734,822	779,496	1,271,655	1,125,498	1,114,663	1,118,085	1,122,360
<b>Total Operating Costs</b>	<b>1,682,595</b>	<b>1,004,102</b>	<b>1,479,536</b>	<b>1,122,100</b>	<b>1,316,572</b>	<b>2,680,527</b>	<b>2,481,808</b>	<b>2,444,343</b>	<b>2,460,311</b>	<b>2,449,159</b>
R & E (Direct)	115,862	164,065	617,342	1,690,456	689,707	151,934	195,283	135,308	101,770	222,179
R & E (Non-Direct)	23,117	47,812	198,755	184,195	86,121	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>138,978</b>	<b>211,877</b>	<b>816,096</b>	<b>1,874,651</b>	<b>775,828</b>	<b>151,934</b>	<b>195,283</b>	<b>135,308</b>	<b>101,770</b>	<b>222,179</b>
<b>Total Expenditure</b>	<b>1,821,574</b>	<b>1,215,979</b>	<b>2,295,632</b>	<b>2,996,751</b>	<b>2,092,400</b>	<b>2,832,461</b>	<b>2,677,091</b>	<b>2,579,651</b>	<b>2,562,081</b>	<b>2,671,339</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-700,370	-530,269	-407,389	-374,311	-397,267	-76%	-64%	-51%	-47%	-51%
Electricity	-99,352	-179,328	-201,819	-218,457	-233,980	-37%	-68%	-76%	-82%	-88%
Preventative Maintenance	-141,262	-126,621	-109,720	-83,844	-77,390	-36%	-30%	-26%	-19%	-18%
Corrective Maintenance	431,928	168,893	269,042	70,352	209,286	1381%	375%	651%	150%	377%
Revenue Offsets	-208,283	-319,379	-360,302	-348,688	-290,373	100%	153%	172%	167%	139%
Indirects & Overheads	-280,594	-491,000	-154,618	-383,263	-342,863	-22%	-44%	-14%	-34%	-31%
<b>Total Operating Costs</b>	<b>-997,931</b>	<b>-1,477,706</b>	<b>-964,807</b>	<b>-1,338,211</b>	<b>-1,132,588</b>	<b>-37%</b>	<b>-60%</b>	<b>-39%</b>	<b>-54%</b>	<b>-46%</b>
R & E (Direct)	-36,073	-31,218	482,034	1,588,686	467,528	-24%	-16%	356%	1561%	210%
R & E (Non-Direct)	23,117	47,812	198,755	184,195	86,121	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-12,956</b>	<b>16,594</b>	<b>680,788</b>	<b>1,772,881</b>	<b>553,649</b>	<b>-9%</b>	<b>8%</b>	<b>503%</b>	<b>1742%</b>	<b>249%</b>
<b>Total Expenditure</b>	<b>-1,010,888</b>	<b>-1,461,112</b>	<b>-284,019</b>	<b>434,670</b>	<b>-578,939</b>	<b>-36%</b>	<b>-55%</b>	<b>-11%</b>	<b>17%</b>	<b>-22%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	225,599	298,969	399,009	416,139	382,083	925,969	829,238	806,398	790,450	779,351
Preventative Maintenance	254,140	299,147	316,005	364,830	358,338	395,401	425,769	425,725	448,674	435,728
Corrective Maintenance	463,210	213,976	310,378	117,234	264,787	31,282	45,083	41,336	46,882	55,501
Indirects & Overheads	991,061	634,498	960,045	734,822	779,496	1,271,655	1,125,498	1,114,663	1,118,085	1,122,360
<b>Total Controllable Operating Costs</b>	<b>1,934,009</b>	<b>1,446,590</b>	<b>1,985,437</b>	<b>1,633,024</b>	<b>1,784,705</b>	<b>2,624,307</b>	<b>2,425,588</b>	<b>2,388,123</b>	<b>2,404,091</b>	<b>2,392,939</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-700,370	-530,269	-407,389	-374,311	-397,267	-76%	-64%	-51%	-47%	-51%
Preventative Maintenance	-141,262	-126,621	-109,720	-83,844	-77,390	-36%	-30%	-26%	-19%	-18%
Corrective Maintenance	431,928	168,893	269,042	70,352	209,286	1381%	375%	651%	150%	377%
Indirects & Overheads	-280,594	-491,000	-154,618	-383,263	-342,863	-22%	-44%	-14%	-34%	-31%
<b>Total Controllable Operating Costs</b>	<b>-690,297</b>	<b>-978,998</b>	<b>-402,686</b>	<b>-771,066</b>	<b>-608,235</b>	<b>-26%</b>	<b>-40%</b>	<b>-17%</b>	<b>-32%</b>	<b>-25%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	779,351	480,323	489,230	490,873	492,921	493,261	490,438
Preventative Maintenance	435,728	354,046	356,802	359,666	362,781	367,905	370,355
Corrective Maintenance	55,501	164,631	166,546	167,461	169,298	170,834	171,207
Revenue Offsets	-209,271	-427,000	-427,000	-427,000	-424,000	-407,000	-395,000
Indirects & Overheads	1,122,360	694,000	738,422	751,000	755,000	738,000	704,000
<b>Total</b>	<b>2,183,668</b>	<b>1,266,000</b>	<b>1,324,000</b>	<b>1,342,000</b>	<b>1,356,000</b>	<b>1,363,000</b>	<b>1,341,000</b>
\$ Variance to 2011 Forecast		-917,668	-859,668	-841,668	-827,668	-820,668	-842,668
% Variance to 2011 Forecast		-42.0%	-39.4%	-38.5%	-37.9%	-37.6%	-38.6%



## Eton Irrigation Distribution

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	224,303	234,850	253,930	261,554	205,692	760,764	711,549	656,431	657,319	657,240
Electricity	175,914	165,958	120,084	257,732	40,547	548,715	548,715	548,715	548,715	548,715
Preventative Maintenance	207,263	204,284	195,371	267,323	156,067	260,596	289,850	307,660	290,787	300,695
Corrective Maintenance	161,359	290,299	275,920	260,665	278,354	434,205	331,449	278,673	291,484	295,874
Revenue Offsets	-12,467	-25,835	-13,632	-12,734	-14,022	-50,499	-50,499	-50,499	-50,499	-50,499
Indirects & Overheads	864,651	457,158	526,751	527,998	414,163	1,314,405	1,093,873	954,522	940,872	937,896
<b>Total Operating Costs</b>	<b>1,621,024</b>	<b>1,326,714</b>	<b>1,358,423</b>	<b>1,562,539</b>	<b>1,080,801</b>	<b>3,268,185</b>	<b>2,924,936</b>	<b>2,695,501</b>	<b>2,678,677</b>	<b>2,689,920</b>
R & E (Direct)	20,554	35,531	246,081	631,867	499,761	54,393	10,027	73,263	74,810	107,654
R & E (Non-Direct)	8,788	5,794	45,467	112,435	123,797	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>29,342</b>	<b>41,325</b>	<b>291,548</b>	<b>744,302</b>	<b>623,559</b>	<b>54,393</b>	<b>10,027</b>	<b>73,263</b>	<b>74,810</b>	<b>107,654</b>
<b>Total Expenditure</b>	<b>1,650,366</b>	<b>1,368,039</b>	<b>1,649,971</b>	<b>2,306,841</b>	<b>1,704,360</b>	<b>3,322,579</b>	<b>2,934,963</b>	<b>2,768,764</b>	<b>2,753,488</b>	<b>2,797,574</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-536,461	-476,699	-402,501	-395,765	-451,548	-71%	-67%	-61%	-60%	-69%
Electricity	-372,801	-382,757	-428,631	-290,982	-508,168	-68%	-70%	-78%	-53%	-93%
Preventative Maintenance	-53,332	-85,566	-112,288	-23,464	-144,628	-20%	-30%	-36%	-8%	-48%
Corrective Maintenance	-272,845	-41,150	-2,753	-30,819	-17,520	-63%	-12%	-1%	-11%	-6%
Revenue Offsets	38,033	24,665	36,867	37,765	36,477	-75%	-49%	-73%	-75%	-72%
Indirects & Overheads	-449,754	-636,714	-427,771	-412,874	-523,733	-34%	-58%	-45%	-44%	-56%
<b>Total Operating Costs</b>	<b>-1,647,161</b>	<b>-1,598,221</b>	<b>-1,337,078</b>	<b>-1,116,139</b>	<b>-1,609,119</b>	<b>-50%</b>	<b>-55%</b>	<b>-50%</b>	<b>-42%</b>	<b>-60%</b>
R & E (Direct)	-33,839	25,504	172,818	557,057	392,107	-62%	254%	236%	745%	364%
R & E (Non-Direct)	8,788	5,794	45,467	112,435	123,797	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-25,051</b>	<b>31,297</b>	<b>218,285</b>	<b>669,492</b>	<b>515,905</b>	<b>-46%</b>	<b>312%</b>	<b>298%</b>	<b>895%</b>	<b>479%</b>
<b>Total Expenditure</b>	<b>-1,672,213</b>	<b>-1,566,924</b>	<b>-1,118,792</b>	<b>-446,647</b>	<b>-1,093,214</b>	<b>-50%</b>	<b>-53%</b>	<b>-40%</b>	<b>-16%</b>	<b>-39%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	224,303	234,850	253,930	261,554	205,692	760,764	711,549	656,431	657,319	657,240
Preventative Maintenance	207,263	204,284	195,371	267,323	156,067	260,596	289,850	307,660	290,787	300,695
Corrective Maintenance	161,359	290,299	275,920	260,665	278,354	434,205	331,449	278,673	291,484	295,874
Indirects & Overheads	864,651	457,158	526,751	527,998	414,163	1,314,405	1,093,873	954,522	940,872	937,896
<b>Total Controllable Operating Costs</b>	<b>1,457,577</b>	<b>1,186,591</b>	<b>1,251,972</b>	<b>1,317,540</b>	<b>1,054,276</b>	<b>2,769,970</b>	<b>2,426,720</b>	<b>2,197,286</b>	<b>2,180,462</b>	<b>2,191,705</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-536,461	-476,699	-402,501	-395,765	-451,548	-71%	-67%	-61%	-60%	-69%
Preventative Maintenance	-53,332	-85,566	-112,288	-23,464	-144,628	-20%	-30%	-36%	-8%	-48%
Corrective Maintenance	-272,845	-41,150	-2,753	-30,819	-17,520	-63%	-12%	-1%	-11%	-6%
Indirects & Overheads	-449,754	-636,714	-427,771	-412,874	-523,733	-34%	-58%	-45%	-44%	-56%
<b>Total Controllable Operating Costs</b>	<b>-1,312,393</b>	<b>-1,240,129</b>	<b>-945,313</b>	<b>-862,921</b>	<b>-1,137,429</b>	<b>-47%</b>	<b>-51%</b>	<b>-43%</b>	<b>-40%</b>	<b>-52%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	657,240	400,658	406,662	408,324	409,564	409,934	408,319
Preventative Maintenance	300,695	360,295	364,774	367,202	370,172	373,574	374,243
Corrective Maintenance	295,874	254,047	256,564	258,895	260,684	263,906	265,438
Revenue Offsets	-50,499	-4,000	-4,000	-4,000	-4,000	-4,000	-4,000
Indirects & Overheads	937,896	695,000	739,000	751,579	755,579	738,586	705,000
<b>Total</b>	<b>2,141,205</b>	<b>1,706,000</b>	<b>1,763,000</b>	<b>1,782,000</b>	<b>1,792,000</b>	<b>1,782,000</b>	<b>1,749,000</b>
\$ Variance to 2011 Forecast		-435,205	-378,205	-359,205	-349,205	-359,205	-392,205
% Variance to 2011 Forecast		-20.3%	-17.7%	-16.8%	-16.3%	-16.8%	-18.3%

## Lower Mary Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	19,462	34,641	88,621	85,952	133,399	120,069	111,666	102,702	93,811	93,377
Electricity	72,890	90,906	21,752	153,828	39,015	308,446	308,446	308,446	308,446	308,446
Preventative Maintenance	63,707	90,141	100,223	73,012	80,193	72,857	73,036	73,179	85,804	66,807
Corrective Maintenance	35,129	44,378	77,447	127,214	77,901	133,159	163,628	131,562	129,481	159,779
Revenue Offsets	0	-9,603	-25,106	-6,286	-1,927	-953	-953	-953	-953	-953
Indirects & Overheads	189,605	269,541	350,546	302,924	324,901	274,239	277,849	232,734	240,606	255,229
<b>Total Operating Costs</b>	<b>380,793</b>	<b>520,004</b>	<b>613,484</b>	<b>736,644</b>	<b>653,481</b>	<b>907,817</b>	<b>933,672</b>	<b>847,670</b>	<b>857,195</b>	<b>882,685</b>
R & E (Direct)	49,400	78,246	140,371	111,535	141,079	71,831	164,738	188,462	130,492	53,326
R & E (Non-Direct)	20,755	41,898	36,072	66,019	81,902	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>70,155</b>	<b>120,144</b>	<b>176,443</b>	<b>177,553</b>	<b>222,981</b>	<b>71,831</b>	<b>164,738</b>	<b>188,462</b>	<b>130,492</b>	<b>53,326</b>
<b>Total Expenditure</b>	<b>450,949</b>	<b>640,148</b>	<b>789,926</b>	<b>914,198</b>	<b>876,462</b>	<b>979,648</b>	<b>1,098,410</b>	<b>1,036,132</b>	<b>987,687</b>	<b>936,011</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-100,607	-77,025	-14,082	-7,860	40,022	-84%	-69%	-14%	-8%	43%
Electricity	-235,557	-217,540	-286,694	-154,619	-269,432	-76%	-71%	-93%	-50%	-87%
Preventative Maintenance	-9,150	17,105	27,043	-12,792	13,385	-13%	23%	37%	-15%	20%
Corrective Maintenance	-98,030	-119,250	-54,114	-2,267	-81,877	-74%	-73%	-41%	-2%	-51%
Revenue Offsets	953	-8,650	-24,152	-5,332	-974	-100%	907%	2533%	559%	102%
Indirects & Overheads	-84,634	-8,308	117,813	62,319	69,671	-31%	-3%	51%	26%	27%
<b>Total Operating Costs</b>	<b>-527,023</b>	<b>-413,668</b>	<b>-234,186</b>	<b>-120,551</b>	<b>-229,204</b>	<b>-58%</b>	<b>-44%</b>	<b>-28%</b>	<b>-14%</b>	<b>-26%</b>
R & E (Direct)	-22,431	-86,492	-48,091	-18,957	87,754	-31%	-53%	-26%	-15%	165%
R & E (Non-Direct)	20,755	41,898	36,072	66,019	81,902	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-1,676</b>	<b>-44,594</b>	<b>-12,019</b>	<b>47,062</b>	<b>169,655</b>	<b>-2%</b>	<b>-27%</b>	<b>-6%</b>	<b>36%</b>	<b>318%</b>
<b>Total Expenditure</b>	<b>-528,699</b>	<b>-458,262</b>	<b>-246,205</b>	<b>-73,489</b>	<b>-59,549</b>	<b>-54%</b>	<b>-42%</b>	<b>-24%</b>	<b>-7%</b>	<b>-6%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	19,462	34,641	88,621	85,952	133,399	120,069	111,666	102,702	93,811	93,377
Preventative Maintenance	63,707	90,141	100,223	73,012	80,193	72,857	73,036	73,179	85,804	66,807
Corrective Maintenance	35,129	44,378	77,447	127,214	77,901	133,159	163,628	131,562	129,481	159,779
Indirects & Overheads	189,605	269,541	350,546	302,924	324,901	274,239	277,849	232,734	240,606	255,229
<b>Total Controllable Operating Costs</b>	<b>307,904</b>	<b>438,701</b>	<b>616,837</b>	<b>589,102</b>	<b>616,393</b>	<b>600,324</b>	<b>626,179</b>	<b>540,177</b>	<b>549,702</b>	<b>575,192</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-100,607	-77,025	-14,082	-7,860	40,022	-84%	-69%	-14%	-8%	43%
Preventative Maintenance	-9,150	17,105	27,043	-12,792	13,385	-13%	23%	37%	-15%	20%
Corrective Maintenance	-98,030	-119,250	-54,114	-2,267	-81,877	-74%	-73%	-41%	-2%	-51%
Indirects & Overheads	-84,634	-8,308	117,813	62,319	69,671	-31%	-3%	51%	26%	27%
<b>Total Controllable Operating Costs</b>	<b>-292,420</b>	<b>-187,478</b>	<b>76,660</b>	<b>39,400</b>	<b>41,201</b>	<b>-49%</b>	<b>-30%</b>	<b>14%</b>	<b>7%</b>	<b>7%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	93,377	122,063	123,206	123,256	123,254	123,949	123,767
Preventative Maintenance	66,807	124,141	125,741	126,275	126,775	127,009	126,900
Corrective Maintenance	159,779	75,316	76,560	76,469	76,971	77,532	77,811
Revenue Offsets	-953	-13,000	-13,000	-13,000	-13,000	-13,000	-13,000
Indirects & Overheads	255,229	297,481	316,493	322,000	323,000	315,510	300,522
<b>Total</b>	<b>574,239</b>	<b>606,000</b>	<b>629,000</b>	<b>635,000</b>	<b>637,000</b>	<b>631,000</b>	<b>616,000</b>
\$ Variance to 2011 Forecast		31,761	54,761	60,761	62,761	56,761	41,761
% Variance to 2011 Forecast		5.5%	9.5%	10.6%	10.9%	9.9%	7.3%

## Mareeba Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	677,671	640,245	825,265	857,561	1,012,650	1,315,779	1,247,334	1,250,933	1,185,554	1,214,548
Electricity	223,035	221,963	205,987	342,821	258,489	181,808	181,808	181,808	181,808	181,808
Preventative Maintenance	257,710	193,174	250,052	285,233	362,119	767,194	829,229	739,322	707,809	714,760
Corrective Maintenance	654,393	541,699	838,263	751,235	582,263	545,717	590,491	546,827	735,537	683,595
Revenue Offsets	-534,963	-559,127	-570,197	-562,166	-566,996	-9,503	-9,503	-9,503	-9,503	-9,503
Indirects & Overheads	1,720,673	1,443,879	2,032,245	1,685,209	1,894,320	2,380,679	2,343,306	2,223,626	2,240,296	2,215,590
<b>Total Operating Costs</b>	<b>2,998,519</b>	<b>2,481,834</b>	<b>3,581,615</b>	<b>3,359,894</b>	<b>3,542,845</b>	<b>5,181,675</b>	<b>5,182,665</b>	<b>4,933,013</b>	<b>5,041,502</b>	<b>5,000,798</b>
R & E (Direct)	847,752	996,995	1,130,763	2,422,545	2,604,135	1,154,483	1,197,512	1,203,893	806,965	927,453
R & E (Non-Direct)	300,551	350,613	362,704	593,912	487,640	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,148,303</b>	<b>1,347,607</b>	<b>1,493,467</b>	<b>3,016,458</b>	<b>3,091,775</b>	<b>1,154,483</b>	<b>1,197,512</b>	<b>1,203,893</b>	<b>806,965</b>	<b>927,453</b>
<b>Total Expenditure</b>	<b>4,146,822</b>	<b>3,829,442</b>	<b>5,075,081</b>	<b>6,376,351</b>	<b>6,634,620</b>	<b>6,336,157</b>	<b>6,380,177</b>	<b>6,136,905</b>	<b>5,848,466</b>	<b>5,928,251</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-638,108	-607,089	-425,668	-327,993	-201,898	-48%	-49%	-34%	-28%	-17%
Electricity	41,227	40,155	24,180	161,014	76,681	23%	22%	13%	89%	42%
Preventative Maintenance	-509,484	-636,054	-489,270	-422,577	-352,641	-66%	-77%	-66%	-60%	-49%
Corrective Maintenance	108,677	-48,792	291,436	15,698	-101,332	20%	-8%	53%	2%	-15%
Revenue Offsets	-525,460	-549,624	-560,694	-552,663	-557,493	5530%	5784%	5900%	5816%	5867%
Indirects & Overheads	-660,007	-899,428	-191,382	-555,087	-321,270	-28%	-38%	-9%	-25%	-15%
<b>Total Operating Costs</b>	<b>-2,183,156</b>	<b>-2,700,831</b>	<b>-1,351,398</b>	<b>-1,681,608</b>	<b>-1,457,953</b>	<b>-42%</b>	<b>-52%</b>	<b>-27%</b>	<b>-33%</b>	<b>-29%</b>
R & E (Direct)	-306,731	-200,518	-73,130	1,615,581	1,676,682	-27%	-17%	-6%	200%	181%
R & E (Non-Direct)	300,551	350,613	362,704	593,912	487,640	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-6,180</b>	<b>150,095</b>	<b>289,574</b>	<b>2,209,493</b>	<b>2,164,322</b>	<b>-1%</b>	<b>13%</b>	<b>24%</b>	<b>274%</b>	<b>233%</b>
<b>Total Expenditure</b>	<b>-2,189,336</b>	<b>-2,550,736</b>	<b>-1,061,824</b>	<b>527,885</b>	<b>706,369</b>	<b>-35%</b>	<b>-40%</b>	<b>-17%</b>	<b>9%</b>	<b>12%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	677,671	640,245	825,265	857,561	1,012,650	1,315,779	1,247,334	1,250,933	1,185,554	1,214,548
Preventative Maintenance	257,710	193,174	250,052	285,233	362,119	767,194	829,229	739,322	707,809	714,760
Corrective Maintenance	654,393	541,699	838,263	751,235	582,263	545,717	590,491	546,827	735,537	683,595
Indirects & Overheads	1,720,673	1,443,879	2,032,245	1,685,209	1,894,320	2,380,679	2,343,306	2,223,626	2,240,296	2,215,590
<b>Total Controllable Operating Costs</b>	<b>3,310,447</b>	<b>2,818,998</b>	<b>3,945,824</b>	<b>3,579,238</b>	<b>3,851,352</b>	<b>5,009,370</b>	<b>5,010,360</b>	<b>4,760,708</b>	<b>4,869,197</b>	<b>4,828,493</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-638,108	-607,089	-425,668	-327,993	-201,898	-48%	-49%	-34%	-28%	-17%
Preventative Maintenance	-509,484	-636,054	-489,270	-422,577	-352,641	-66%	-77%	-66%	-60%	-49%
Corrective Maintenance	108,677	-48,792	291,436	15,698	-101,332	20%	-8%	53%	2%	-15%
Indirects & Overheads	-660,007	-899,428	-191,382	-555,087	-321,270	-28%	-38%	-9%	-25%	-15%
<b>Total Controllable Operating Costs</b>	<b>-1,698,923</b>	<b>-2,191,362</b>	<b>-814,884</b>	<b>-1,289,959</b>	<b>-977,141</b>	<b>-34%</b>	<b>-44%</b>	<b>-17%</b>	<b>-26%</b>	<b>-20%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,214,548	948,345	958,727	959,743	959,415	958,451	955,187
Preventative Maintenance	714,760	265,069	268,487	269,742	270,659	271,280	270,535
Corrective Maintenance	683,595	720,586	741,329	758,515	775,926	794,269	808,832
Revenue Offsets	-9,503	-562,000	-562,000	-562,000	-560,000	-557,000	-556,000
Indirects & Overheads	2,215,590	1,539,000	1,653,457	1,697,000	1,722,000	1,699,000	1,635,446
<b>Total</b>	<b>4,818,990</b>	<b>2,911,000</b>	<b>3,060,000</b>	<b>3,123,000</b>	<b>3,168,000</b>	<b>3,166,000</b>	<b>3,114,000</b>
\$ Variance to 2011 Forecast		-1,907,990	-1,758,990	-1,695,990	-1,650,990	-1,652,990	-1,704,990
% Variance to 2011 Forecast		-39.6%	-36.5%	-35.2%	-34.3%	-34.3%	-35.4%

## St George Irrigation Distribution

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	267,070	302,258	547,558	413,641	386,790	1,071,248	893,475	920,546	914,322	902,602
Electricity	23,427	34,680	31,534	44,341	30,561	52,791	52,791	52,791	52,791	52,791
Preventative Maintenance	150,664	185,724	168,077	128,921	162,852	252,400	224,984	224,399	227,361	214,587
Corrective Maintenance	118,134	139,795	144,940	267,858	177,254	178,989	187,204	188,445	189,940	186,660
Revenue Offsets	-206,142	-200,751	-204,417	-212,150	-195,961	-21,187	-21,187	-21,187	-21,187	-21,187
Indirects & Overheads	832,554	993,541	1,203,375	783,694	647,346	1,108,839	962,193	948,362	907,016	931,780
<b>Total Operating Costs</b>	<b>1,185,707</b>	<b>1,455,246</b>	<b>1,891,067</b>	<b>1,426,306</b>	<b>1,208,842</b>	<b>2,643,080</b>	<b>2,299,460</b>	<b>2,313,357</b>	<b>2,270,244</b>	<b>2,267,234</b>
R & E (Direct)	63,825	24,798	217,776	289,647	1,790,558	104,984	85,022	369,293	419,904	47,575
R & E (Non-Direct)	24,436	11,754	17,450	69,911	135,994	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>88,261</b>	<b>36,552</b>	<b>235,227</b>	<b>359,558</b>	<b>1,926,552</b>	<b>104,984</b>	<b>85,022</b>	<b>369,293</b>	<b>419,904</b>	<b>47,575</b>
<b>Total Expenditure</b>	<b>1,273,969</b>	<b>1,491,798</b>	<b>2,126,293</b>	<b>1,785,864</b>	<b>3,135,393</b>	<b>2,748,065</b>	<b>2,384,482</b>	<b>2,682,650</b>	<b>2,690,148</b>	<b>2,314,808</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-804,178	-591,216	-372,988	-500,681	-515,812	-75%	-66%	-41%	-55%	-57%
Electricity	-29,365	-18,112	-21,258	-8,451	-22,230	-56%	-34%	-40%	-16%	-42%
Preventative Maintenance	-101,736	-39,260	-56,322	-98,441	-51,736	-40%	-17%	-25%	-43%	-24%
Corrective Maintenance	-60,855	-47,409	-43,505	77,919	-9,405	-34%	-25%	-23%	41%	-5%
Revenue Offsets	-184,955	-179,564	-183,230	-190,962	-174,774	873%	848%	865%	901%	825%
Indirects & Overheads	-276,285	31,348	255,013	-123,322	-284,434	-25%	3%	27%	-14%	-31%
<b>Total Operating Costs</b>	<b>-1,457,373</b>	<b>-844,213</b>	<b>-422,290</b>	<b>-843,938</b>	<b>-1,058,392</b>	<b>-55%</b>	<b>-37%</b>	<b>-18%</b>	<b>-37%</b>	<b>-47%</b>
R & E (Direct)	-41,159	-60,224	-151,517	-130,257	1,742,983	-39%	-71%	-41%	-31%	3664%
R & E (Non-Direct)	24,436	11,754	17,450	69,911	135,994	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-16,723</b>	<b>-48,470</b>	<b>-134,067</b>	<b>-60,346</b>	<b>1,878,977</b>	<b>-16%</b>	<b>-57%</b>	<b>-36%</b>	<b>-14%</b>	<b>3950%</b>
<b>Total Expenditure</b>	<b>-1,474,096</b>	<b>-892,684</b>	<b>-556,356</b>	<b>-904,284</b>	<b>820,585</b>	<b>-54%</b>	<b>-37%</b>	<b>-21%</b>	<b>-34%</b>	<b>35%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	267,070	302,258	547,558	413,641	386,790	1,071,248	893,475	920,546	914,322	902,602
Preventative Maintenance	150,664	185,724	168,077	128,921	162,852	252,400	224,984	224,399	227,361	214,587
Corrective Maintenance	118,134	139,795	144,940	267,858	177,254	178,989	187,204	188,445	189,940	186,660
Indirects & Overheads	832,554	993,541	1,203,375	783,694	647,346	1,108,839	962,193	948,362	907,016	931,780
<b>Total Controllable Operating Costs</b>	<b>1,368,422</b>	<b>1,621,318</b>	<b>2,063,950</b>	<b>1,594,114</b>	<b>1,374,242</b>	<b>2,611,476</b>	<b>2,267,855</b>	<b>2,281,752</b>	<b>2,238,639</b>	<b>2,235,629</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-804,178	-591,216	-372,988	-500,681	-515,812	-75%	-66%	-41%	-55%	-57%
Preventative Maintenance	-101,736	-39,260	-56,322	-98,441	-51,736	-40%	-17%	-25%	-43%	-24%
Corrective Maintenance	-60,855	-47,409	-43,505	77,919	-9,405	-34%	-25%	-23%	41%	-5%
Indirects & Overheads	-276,285	31,348	255,013	-123,322	-284,434	-25%	3%	27%	-14%	-31%
<b>Total Controllable Operating Costs</b>	<b>-1,243,054</b>	<b>-646,538</b>	<b>-217,802</b>	<b>-644,525</b>	<b>-861,387</b>	<b>-48%</b>	<b>-29%</b>	<b>-10%</b>	<b>-29%</b>	<b>-39%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	902,602	414,550	420,229	421,578	422,491	424,177	423,363
Preventative Maintenance	214,587	168,475	169,785	170,709	171,961	173,481	174,477
Corrective Maintenance	186,660	119,975	121,488	122,218	122,547	123,342	123,160
Revenue Offsets	-21,187	-202,000	-202,000	-202,000	-202,000	-202,000	-202,000
Indirects & Overheads	931,780	674,000	717,498	729,495	734,000	717,000	684,000
<b>Total</b>	<b>2,214,442</b>	<b>1,175,000</b>	<b>1,227,000</b>	<b>1,242,000</b>	<b>1,249,000</b>	<b>1,236,000</b>	<b>1,203,000</b>
\$ Variance to 2011 Forecast		-1,039,442	-987,442	-972,442	-965,442	-978,442	-1,011,442
% Variance to 2011 Forecast		-46.9%	-44.6%	-43.9%	-43.6%	-44.2%	-45.7%

## Barker Barambah Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	222,758	226,144	320,150	303,812	328,237	361,941	441,367	364,647	360,497	356,824
Electricity	10,667	9,578	15,828	7,347	10,018	33,378	33,378	33,378	33,378	33,378
Preventative Maintenance	64,778	30,793	31,083	20,034	16,141	66,395	51,475	52,071	48,322	48,504
Corrective Maintenance	7,761	37,260	21,455	22,337	205,629	31,719	31,433	32,527	31,831	67,638
Revenue Offsets	-10,559	-19,665	-27,759	-28,006	-16,671	-8,864	-8,864	-8,864	-8,864	-8,864
Indirects & Overheads	201,956	229,346	453,861	295,897	402,535	430,261	481,211	400,361	386,446	428,456
<b>Total Operating Costs</b>	<b>497,362</b>	<b>513,456</b>	<b>814,618</b>	<b>621,420</b>	<b>945,889</b>	<b>914,830</b>	<b>1,030,000</b>	<b>874,121</b>	<b>851,611</b>	<b>925,936</b>
R & E (Direct)	85,258	96,136	57,628	86,066	266,714	199,735	104,938	87,301	58,763	90,695
R & E (Non-Direct)	39,411	54,760	29,184	75,441	69,901	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>124,669</b>	<b>150,896</b>	<b>86,812</b>	<b>161,507</b>	<b>336,615</b>	<b>199,735</b>	<b>104,938</b>	<b>87,301</b>	<b>58,763</b>	<b>90,695</b>
<b>Total Expenditure</b>	<b>622,031</b>	<b>664,353</b>	<b>901,430</b>	<b>782,927</b>	<b>1,282,504</b>	<b>1,114,565</b>	<b>1,134,939</b>	<b>961,422</b>	<b>910,374</b>	<b>1,016,632</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-139,183	-215,223	-44,496	-56,686	-28,587	-38%	-49%	-12%	-16%	-8%
Electricity	-22,711	-23,800	-17,550	-26,032	-23,360	-68%	-71%	-53%	-78%	-70%
Preventative Maintenance	-1,617	-20,682	-20,988	-28,288	-32,362	-2%	-40%	-40%	-59%	-67%
Corrective Maintenance	-23,958	5,828	-11,073	-9,494	137,991	-76%	19%	-34%	-30%	204%
Revenue Offsets	-1,695	-10,801	-18,895	-19,143	-7,808	19%	122%	213%	216%	88%
Indirects & Overheads	-228,305	-251,866	53,500	-90,549	-25,921	-53%	-52%	13%	-23%	-6%
<b>Total Operating Costs</b>	<b>-417,468</b>	<b>-516,544</b>	<b>-59,502</b>	<b>-230,191</b>	<b>19,953</b>	<b>-46%</b>	<b>-50%</b>	<b>-7%</b>	<b>-27%</b>	<b>2%</b>
R & E (Direct)	-114,477	-8,803	-29,673	27,303	176,019	-57%	-8%	-34%	46%	194%
R & E (Non-Direct)	39,411	54,760	29,184	75,441	69,901	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-75,067</b>	<b>45,958</b>	<b>-489</b>	<b>102,744</b>	<b>245,920</b>	<b>-38%</b>	<b>44%</b>	<b>-1%</b>	<b>175%</b>	<b>271%</b>
<b>Total Expenditure</b>	<b>-492,535</b>	<b>-470,586</b>	<b>-59,992</b>	<b>-127,447</b>	<b>265,872</b>	<b>-44%</b>	<b>-41%</b>	<b>-6%</b>	<b>-14%</b>	<b>26%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	222,758	226,144	320,150	303,812	328,237	361,941	441,367	364,647	360,497	356,824
Preventative Maintenance	64,778	30,793	31,083	20,034	16,141	66,395	51,475	52,071	48,322	48,504
Corrective Maintenance	7,761	37,260	21,455	22,337	205,629	31,719	31,433	32,527	31,831	67,638
Indirects & Overheads	201,956	229,346	453,861	295,897	402,535	430,261	481,211	400,361	386,446	428,456
<b>Total Controllable Operating Costs</b>	<b>497,254</b>	<b>523,543</b>	<b>826,549</b>	<b>642,080</b>	<b>952,542</b>	<b>890,316</b>	<b>1,005,486</b>	<b>849,606</b>	<b>827,097</b>	<b>901,422</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-139,183	-215,223	-44,496	-56,686	-28,587	-38%	-49%	-12%	-16%	-8%
Preventative Maintenance	-1,617	-20,682	-20,988	-28,288	-32,362	-2%	-40%	-40%	-59%	-67%
Corrective Maintenance	-23,958	5,828	-11,073	-9,494	137,991	-76%	19%	-34%	-30%	204%
Indirects & Overheads	-228,305	-251,866	53,500	-90,549	-25,921	-53%	-52%	13%	-23%	-6%
<b>Total Controllable Operating Costs</b>	<b>-393,062</b>	<b>-481,942</b>	<b>-23,057</b>	<b>-185,017</b>	<b>51,120</b>	<b>-44%</b>	<b>-48%</b>	<b>-3%</b>	<b>-22%</b>	<b>6%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	356,824	276,130	277,777	278,607	279,497	246,004	246,068
Preventative Maintenance	48,504	53,279	54,466	54,552	54,813	51,589	51,727
Corrective Maintenance	67,638	24,590	25,252	25,328	25,184	23,884	24,172
Revenue Offsets	-8,864	-19,000	-19,000	-19,000	-19,000	-19,000	-19,000
Indirects & Overheads	428,456	337,000	364,505	377,513	368,506	351,522	344,033
<b>Total</b>	<b>892,558</b>	<b>672,000</b>	<b>703,000</b>	<b>717,000</b>	<b>709,000</b>	<b>654,000</b>	<b>647,000</b>
\$ Variance to 2011 Forecast		-220,558	-189,558	-175,558	-183,558	-238,558	-245,558
% Variance to 2011 Forecast		-24.7%	-21.2%	-19.7%	-20.6%	-26.7%	-27.5%

## Bowen Broken Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	286,258	206,746	289,011	292,146	274,288	123,933	119,200	123,240	125,068	122,553
Electricity	55,652	103,995	124,669	92,735	26,190	2,476	2,476	2,476	2,476	2,476
Preventative Maintenance	35,373	35,723	46,573	56,653	63,355	4,335	1,434	3,435	4,757	3,199
Corrective Maintenance	43,988	349,559	221,580	81,300	192,234	5,651	4,630	8,006	5,876	5,373
Revenue Offsets	-5,639	-12,177	-22,382	-11,580	-35,043	-1,225	-1,225	-1,225	-1,225	-1,225
Indirects & Overheads	437,135	314,809	305,567	422,526	439,951	100,926	97,765	98,727	93,747	93,649
<b>Total Operating Costs</b>	<b>852,767</b>	<b>998,654</b>	<b>965,017</b>	<b>933,780</b>	<b>960,974</b>	<b>236,097</b>	<b>224,280</b>	<b>234,659</b>	<b>230,700</b>	<b>226,025</b>
R & E (Direct)	8,442	51,501	372,461	186,684	343,420	94,587	-2,657	74,581	106,672	57,075
R & E (Non-Direct)	3,871	20,140	73,202	100,689	60,458	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>12,313</b>	<b>71,641</b>	<b>445,663</b>	<b>287,373</b>	<b>403,878</b>	<b>94,587</b>	<b>-2,657</b>	<b>74,581</b>	<b>106,672</b>	<b>57,075</b>
<b>Total Expenditure</b>	<b>865,081</b>	<b>1,070,295</b>	<b>1,410,680</b>	<b>1,221,153</b>	<b>1,364,853</b>	<b>330,684</b>	<b>221,623</b>	<b>309,239</b>	<b>337,372</b>	<b>283,100</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	162,325	87,546	165,771	167,078	151,735	131%	73%	135%	134%	124%
Electricity	53,176	101,520	122,193	90,259	23,714	2148%	4101%	4936%	3646%	958%
Preventative Maintenance	31,038	34,288	43,138	51,896	60,156	716%	2391%	1256%	1091%	1880%
Corrective Maintenance	38,337	344,929	213,574	75,424	186,861	678%	7450%	2668%	1284%	3478%
Revenue Offsets	-4,414	-10,952	-21,157	-10,355	-33,819	360%	894%	1728%	846%	2762%
Indirects & Overheads	336,209	217,044	206,840	328,779	346,302	333%	222%	210%	351%	370%
<b>Total Operating Costs</b>	<b>616,671</b>	<b>774,375</b>	<b>730,359</b>	<b>703,081</b>	<b>734,949</b>	<b>261%</b>	<b>345%</b>	<b>311%</b>	<b>305%</b>	<b>325%</b>
R & E (Direct)	-86,145	54,158	297,880	80,012	286,345	-91%	-2038%	399%	75%	502%
R & E (Non-Direct)	3,871	20,140	73,202	100,689	60,458	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-82,274</b>	<b>74,298</b>	<b>371,082</b>	<b>180,701</b>	<b>346,804</b>	<b>-87%</b>	<b>-2796%</b>	<b>498%</b>	<b>169%</b>	<b>608%</b>
<b>Total Expenditure</b>	<b>534,397</b>	<b>848,673</b>	<b>1,101,441</b>	<b>883,781</b>	<b>1,081,753</b>	<b>162%</b>	<b>383%</b>	<b>356%</b>	<b>262%</b>	<b>382%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	286,258	206,746	289,011	292,146	274,288	123,933	119,200	123,240	125,068	122,553
Preventative Maintenance	35,373	35,723	46,573	56,653	63,355	4,335	1,434	3,435	4,757	3,199
Corrective Maintenance	43,988	349,559	221,580	81,300	192,234	5,651	4,630	8,006	5,876	5,373
Indirects & Overheads	437,135	314,809	305,567	422,526	439,951	100,926	97,765	98,727	93,747	93,649
<b>Total Controllable Operating Costs</b>	<b>802,755</b>	<b>906,836</b>	<b>862,730</b>	<b>852,626</b>	<b>969,828</b>	<b>234,846</b>	<b>223,029</b>	<b>233,408</b>	<b>229,449</b>	<b>224,774</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	162,325	87,546	165,771	167,078	151,735	131%	73%	135%	134%	124%
Preventative Maintenance	31,038	34,288	43,138	51,896	60,156	716%	2391%	1256%	1091%	1880%
Corrective Maintenance	38,337	344,929	213,574	75,424	186,861	678%	7450%	2668%	1284%	3478%
Indirects & Overheads	336,209	217,044	206,840	328,779	346,302	333%	222%	210%	351%	370%
<b>Total Controllable Operating Costs</b>	<b>567,909</b>	<b>683,807</b>	<b>629,322</b>	<b>623,177</b>	<b>745,054</b>	<b>242%</b>	<b>307%</b>	<b>270%</b>	<b>272%</b>	<b>331%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	122,553	262,185	264,993	266,436	267,477	268,115	268,369
Preventative Maintenance	3,199	101,686	103,438	104,052	104,433	105,175	104,703
Corrective Maintenance	5,373	113,229	113,569	114,037	115,623	117,709	117,928
Revenue Offsets	-1,225	7,000	-12,000	-12,000	-12,000	-12,000	-12,000
Indirects & Overheads	93,649	390,901	422,000	437,474	427,467	410,000	400,000
<b>Total</b>	<b>223,549</b>	<b>875,000</b>	<b>892,000</b>	<b>910,000</b>	<b>903,000</b>	<b>889,000</b>	<b>879,000</b>
\$ Variance to 2011 Forecast		651,451	668,451	686,451	679,451	665,451	655,451
% Variance to 2011 Forecast		291.4%	299.0%	307.1%	303.9%	297.7%	293.2%

## Boyne Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	129,547	122,688	115,557	175,154	167,772	147,392	151,023	155,458	157,771	152,158
Electricity	0	0	0	0	0	0	0	0	0	0
Preventative Maintenance	27,620	18,693	19,046	18,280	14,019	16,626	19,726	22,237	24,564	20,390
Corrective Maintenance	4,578	4,354	14,228	12,300	91,061	19,710	19,780	20,572	21,186	19,997
Revenue Offsets	-4,142	-18,882	-17,783	-14,739	-12,634	-1,867	-1,867	-1,867	-1,867	-1,867
Indirects & Overheads	223,512	97,208	140,717	172,908	300,474	157,444	158,546	156,057	151,718	156,147
<b>Total Operating Costs</b>	<b>381,114</b>	<b>224,060</b>	<b>271,764</b>	<b>363,903</b>	<b>560,693</b>	<b>339,305</b>	<b>347,208</b>	<b>352,458</b>	<b>353,372</b>	<b>346,826</b>
R & E (Direct)	53,512	5,580	142,049	37,777	115,598	80,166	71,782	175,722	222,344	75,850
R & E (Non-Direct)	15,270	3,499	74,818	28,739	22,946	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>68,781</b>	<b>9,079</b>	<b>216,867</b>	<b>66,516</b>	<b>138,544</b>	<b>80,166</b>	<b>71,782</b>	<b>175,722</b>	<b>222,344</b>	<b>75,850</b>
<b>Total Expenditure</b>	<b>449,895</b>	<b>233,139</b>	<b>488,631</b>	<b>430,419</b>	<b>699,236</b>	<b>419,471</b>	<b>418,990</b>	<b>528,181</b>	<b>575,716</b>	<b>422,676</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-17,846	-28,336	-39,901	17,384	15,614	-12%	-19%	-26%	11%	10%
Electricity	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	10,994	-1,033	-3,192	-6,284	-6,371	66%	-5%	-14%	-26%	-31%
Corrective Maintenance	-15,132	-15,426	-6,345	-8,886	71,064	-77%	-78%	-31%	-42%	355%
Revenue Offsets	-2,276	-17,016	-15,917	-12,873	-10,767	122%	912%	853%	690%	577%
Indirects & Overheads	66,068	-61,338	-15,340	21,190	144,327	42%	-39%	-10%	14%	92%
<b>Total Operating Costs</b>	<b>41,809</b>	<b>-123,148</b>	<b>-80,694</b>	<b>10,531</b>	<b>213,867</b>	<b>12%</b>	<b>-35%</b>	<b>-23%</b>	<b>3%</b>	<b>62%</b>
R & E (Direct)	-26,654	-66,202	-33,673	-184,567	39,748	-33%	-92%	-19%	-83%	52%
R & E (Non-Direct)	15,270	3,499	74,818	28,739	22,946	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-11,385</b>	<b>-62,703</b>	<b>41,145</b>	<b>-155,828</b>	<b>62,694</b>	<b>-14%</b>	<b>-87%</b>	<b>23%</b>	<b>-70%</b>	<b>83%</b>
<b>Total Expenditure</b>	<b>30,424</b>	<b>-185,851</b>	<b>-39,550</b>	<b>-145,297</b>	<b>276,561</b>	<b>7%</b>	<b>-44%</b>	<b>-7%</b>	<b>-25%</b>	<b>65%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	129,547	122,688	115,557	175,154	167,772	147,392	151,023	155,458	157,771	152,158
Preventative Maintenance	27,620	18,693	19,046	18,280	14,019	16,626	19,726	22,237	24,564	20,390
Corrective Maintenance	4,578	4,354	14,228	12,300	91,061	19,710	19,780	20,572	21,186	19,997
Indirects & Overheads	223,512	97,208	140,717	172,908	300,474	157,444	158,546	156,057	151,718	156,147
<b>Total Controllable Operating Costs</b>	<b>385,256</b>	<b>242,942</b>	<b>289,547</b>	<b>378,642</b>	<b>573,327</b>	<b>341,172</b>	<b>349,075</b>	<b>354,325</b>	<b>355,238</b>	<b>348,693</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-17,846	-28,336	-39,901	17,384	15,614	-12%	-19%	-26%	11%	10%
Preventative Maintenance	10,994	-1,033	-3,192	-6,284	-6,371	66%	-5%	-14%	-26%	-31%
Corrective Maintenance	-15,132	-15,426	-6,345	-8,886	71,064	-77%	-78%	-31%	-42%	355%
Indirects & Overheads	66,068	-61,338	-15,340	21,190	144,327	42%	-39%	-10%	14%	92%
<b>Total Controllable Operating Costs</b>	<b>44,085</b>	<b>-106,132</b>	<b>-64,778</b>	<b>23,404</b>	<b>224,634</b>	<b>13%</b>	<b>-30%</b>	<b>-18%</b>	<b>7%</b>	<b>64%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	152,158	125,460	125,992	126,118	126,321	126,897	127,126
Preventative Maintenance	20,390	44,630	45,031	45,647	45,285	45,390	45,508
Corrective Maintenance	19,997	11,405	11,976	11,765	11,917	12,202	11,872
Revenue Offsets	-1,867	-15,000	-15,000	-15,000	-15,000	-15,000	-15,000
Indirects & Overheads	156,147	184,504	199,000	206,471	201,477	193,512	188,495
<b>Total</b>	<b>346,826</b>	<b>351,000</b>	<b>367,000</b>	<b>375,000</b>	<b>370,000</b>	<b>363,000</b>	<b>358,000</b>
\$ Variance to 2011 Forecast		4,174	20,174	28,174	23,174	16,174	11,174
% Variance to 2011 Forecast		1.2%	5.8%	8.1%	6.7%	4.7%	3.2%

## Bundaberg Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	462,826	360,266	396,088	533,830	445,865	197,460	189,866	177,901	183,527	170,061
Electricity	7,064	6,619	6,735	7,236	4,713	0	0	0	0	0
Preventative Maintenance	85,583	75,704	52,208	50,475	29,646	18,359	24,879	21,682	25,855	25,171
Corrective Maintenance	65,023	39,203	76,474	117,781	621,012	42,760	34,231	64,420	43,865	32,955
Revenue Offsets	-10,321	-17,145	-32,658	-48,857	9,907	-1,890	-1,890	-1,890	-1,890	-1,890
Indirects & Overheads	1,101,420	734,878	560,275	811,927	1,003,860	213,825	183,009	201,339	185,408	174,000
<b>Total Operating Costs</b>	<b>1,711,596</b>	<b>1,199,525</b>	<b>1,059,122</b>	<b>1,472,393</b>	<b>2,115,003</b>	<b>470,514</b>	<b>430,096</b>	<b>463,452</b>	<b>436,765</b>	<b>400,297</b>
R & E (Direct)	110,362	190,676	388,275	428,750	725,424	418,703	434,551	325,910	314,844	245,469
R & E (Non-Direct)	51,344	100,439	143,709	279,244	341,790	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>161,706</b>	<b>291,115</b>	<b>531,983</b>	<b>707,994</b>	<b>1,067,214</b>	<b>418,703</b>	<b>434,551</b>	<b>325,910</b>	<b>314,844</b>	<b>245,469</b>
<b>Total Expenditure</b>	<b>1,873,302</b>	<b>1,490,640</b>	<b>1,591,105</b>	<b>2,180,387</b>	<b>3,182,216</b>	<b>889,217</b>	<b>864,647</b>	<b>789,362</b>	<b>751,609</b>	<b>645,766</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	265,366	170,400	218,187	350,303	275,804	134%	90%	123%	191%	162%
Electricity	7,064	6,619	6,735	7,236	4,713	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	67,224	50,825	30,526	24,619	4,475	366%	204%	141%	95%	18%
Corrective Maintenance	22,263	4,971	12,054	73,917	588,057	52%	15%	19%	169%	1784%
Revenue Offsets	-8,431	-15,255	-30,768	-46,967	11,796	446%	807%	1628%	2485%	-624%
Indirects & Overheads	887,595	551,868	358,937	626,519	829,860	415%	302%	178%	338%	477%
<b>Total Operating Costs</b>	<b>1,241,082</b>	<b>769,429</b>	<b>595,670</b>	<b>1,035,627</b>	<b>1,714,705</b>	<b>264%</b>	<b>179%</b>	<b>129%</b>	<b>237%</b>	<b>428%</b>
R & E (Direct)	-308,341	-243,875	62,365	113,906	479,955	-74%	-56%	19%	36%	196%
R & E (Non-Direct)	51,344	100,439	143,709	279,244	341,790	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-256,997</b>	<b>-143,436</b>	<b>206,074</b>	<b>393,150</b>	<b>821,745</b>	<b>-61%</b>	<b>-33%</b>	<b>63%</b>	<b>125%</b>	<b>335%</b>
<b>Total Expenditure</b>	<b>984,085</b>	<b>625,993</b>	<b>801,744</b>	<b>1,428,778</b>	<b>2,536,450</b>	<b>111%</b>	<b>72%</b>	<b>102%</b>	<b>190%</b>	<b>393%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	462,826	360,266	396,088	533,830	445,865	197,460	189,866	177,901	183,527	170,061
Preventative Maintenance	85,583	75,704	52,208	50,475	29,646	18,359	24,879	21,682	25,855	25,171
Corrective Maintenance	65,023	39,203	76,474	117,781	621,012	42,760	34,231	64,420	43,865	32,955
Indirects & Overheads	1,101,420	734,878	560,275	811,927	1,003,860	213,825	183,009	201,339	185,408	174,000
<b>Total Controllable Operating Costs</b>	<b>1,714,853</b>	<b>1,210,051</b>	<b>1,085,045</b>	<b>1,514,013</b>	<b>2,100,383</b>	<b>472,404</b>	<b>431,986</b>	<b>465,342</b>	<b>438,655</b>	<b>402,187</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	265,366	170,400	218,187	350,303	275,804	134%	90%	123%	191%	162%
Preventative Maintenance	67,224	50,825	30,526	24,619	4,475	366%	204%	141%	95%	18%
Corrective Maintenance	22,263	4,971	12,054	73,917	588,057	52%	15%	19%	169%	1784%
Indirects & Overheads	887,595	551,868	358,937	626,519	829,860	415%	302%	178%	338%	477%
<b>Total Controllable Operating Costs</b>	<b>1,242,449</b>	<b>778,065</b>	<b>619,703</b>	<b>1,075,358</b>	<b>1,698,196</b>	<b>263%</b>	<b>180%</b>	<b>133%</b>	<b>245%</b>	<b>422%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	170,061	323,228	325,604	325,705	326,910	327,856	328,329
Preventative Maintenance	25,171	144,473	147,658	148,217	148,124	147,753	147,553
Corrective Maintenance	32,955	57,299	57,738	58,079	58,495	58,908	59,119
Revenue Offsets	-1,890	-24,000	-24,000	-24,000	-24,000	-24,000	-24,000
Indirects & Overheads	174,000	547,000	591,000	613,000	597,472	572,483	560,000
<b>Total</b>	<b>400,297</b>	<b>1,048,000</b>	<b>1,098,000</b>	<b>1,121,000</b>	<b>1,107,000</b>	<b>1,083,000</b>	<b>1,071,000</b>
\$ Variance to 2011 Forecast		647,703	697,703	720,703	706,703	682,703	670,703
% Variance to 2011 Forecast		161.8%	174.3%	180.0%	176.5%	170.5%	167.6%



## Burdekin Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	1,455,249	1,599,485	1,318,065	1,155,035	819,217	766,022	805,630	741,013	736,419	746,857
Electricity	59,249	61,995	67,353	68,554	84,122	84,341	84,341	84,341	84,341	84,341
Preventative Maintenance	220,271	115,698	122,442	136,540	110,138	72,677	66,700	66,506	61,372	64,232
Corrective Maintenance	261,971	156,253	234,783	403,803	186,677	58,696	54,653	55,582	54,542	54,784
Revenue Offsets	-81,149	-83,674	-98,797	-97,768	-81,609	-14,840	-14,840	-14,840	-14,840	-14,840
Indirects & Overheads	1,669,920	2,314,575	2,302,085	1,543,286	1,195,580	689,526	693,486	640,412	619,071	625,349
<b>Total Operating Costs</b>	<b>3,585,510</b>	<b>4,164,333</b>	<b>3,945,931</b>	<b>3,209,451</b>	<b>2,314,125</b>	<b>1,656,421</b>	<b>1,689,969</b>	<b>1,573,013</b>	<b>1,540,904</b>	<b>1,560,721</b>
R & E (Direct)	206,235	289,339	270,649	324,692	128,561	86,198	127,533	65,418	6,715	83,648
R & E (Non-Direct)	67,020	79,635	122,642	186,621	65,069	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>273,255</b>	<b>368,974</b>	<b>393,290</b>	<b>511,313</b>	<b>193,630</b>	<b>86,198</b>	<b>127,533</b>	<b>65,418</b>	<b>6,715</b>	<b>83,648</b>
<b>Total Expenditure</b>	<b>3,858,765</b>	<b>4,533,306</b>	<b>4,339,222</b>	<b>3,720,765</b>	<b>2,507,755</b>	<b>1,742,619</b>	<b>1,817,502</b>	<b>1,638,431</b>	<b>1,547,620</b>	<b>1,644,369</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	689,226	793,855	577,052	418,616	72,360	90%	99%	78%	57%	10%
Electricity	-25,092	-22,346	-16,988	-15,786	-218	-30%	-26%	-20%	-19%	-0%
Preventative Maintenance	147,594	48,998	55,937	75,168	45,906	203%	73%	84%	122%	71%
Corrective Maintenance	203,275	101,600	179,201	349,261	131,893	346%	186%	322%	640%	241%
Revenue Offsets	-66,308	-68,833	-83,957	-82,928	-66,769	447%	464%	566%	559%	450%
Indirects & Overheads	980,395	1,621,089	1,661,673	924,216	570,232	142%	234%	259%	149%	91%
<b>Total Operating Costs</b>	<b>1,929,089</b>	<b>2,474,363</b>	<b>2,372,918</b>	<b>1,668,547</b>	<b>753,404</b>	<b>116%</b>	<b>146%</b>	<b>151%</b>	<b>108%</b>	<b>48%</b>
R & E (Direct)	120,038	161,806	205,231	317,977	44,914	139%	127%	314%	4735%	54%
R & E (Non-Direct)	67,020	79,635	122,642	186,621	65,069	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>187,057</b>	<b>241,441</b>	<b>327,873</b>	<b>504,598</b>	<b>109,982</b>	<b>217%</b>	<b>189%</b>	<b>501%</b>	<b>7514%</b>	<b>131%</b>
<b>Total Expenditure</b>	<b>2,116,146</b>	<b>2,715,804</b>	<b>2,700,790</b>	<b>2,173,145</b>	<b>863,386</b>	<b>121%</b>	<b>149%</b>	<b>165%</b>	<b>140%</b>	<b>53%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	1,455,249	1,599,485	1,318,065	1,155,035	819,217	766,022	805,630	741,013	736,419	746,857
Preventative Maintenance	220,271	115,698	122,442	136,540	110,138	72,677	66,700	66,506	61,372	64,232
Corrective Maintenance	261,971	156,253	234,783	403,803	186,677	58,696	54,653	55,582	54,542	54,784
Indirects & Overheads	1,669,920	2,314,575	2,302,085	1,543,286	1,195,580	689,526	693,486	640,412	619,071	625,349
<b>Total Controllable Operating Costs</b>	<b>3,607,410</b>	<b>4,186,012</b>	<b>3,977,376</b>	<b>3,238,665</b>	<b>2,311,612</b>	<b>1,586,921</b>	<b>1,620,469</b>	<b>1,503,513</b>	<b>1,471,404</b>	<b>1,491,221</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	689,226	793,855	577,052	418,616	72,360	90%	99%	78%	57%	10%
Preventative Maintenance	147,594	48,998	55,937	75,168	45,906	203%	73%	84%	122%	71%
Corrective Maintenance	203,275	101,600	179,201	349,261	131,893	346%	186%	322%	640%	241%
Indirects & Overheads	980,395	1,621,089	1,661,673	924,216	570,232	142%	234%	259%	149%	91%
<b>Total Controllable Operating Costs</b>	<b>2,020,489</b>	<b>2,565,543</b>	<b>2,473,863</b>	<b>1,767,261</b>	<b>820,391</b>	<b>127%</b>	<b>158%</b>	<b>165%</b>	<b>120%</b>	<b>55%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	746,857	1,080,548	1,086,044	1,087,684	1,089,265	1,090,944	1,090,822
Preventative Maintenance	64,232	152,543	153,718	154,106	154,681	155,214	154,870
Corrective Maintenance	54,784	102,909	96,237	96,210	97,055	97,842	97,860
Revenue Offsets	-14,840	-95,000	-95,000	-95,000	-95,000	-95,000	-95,000
Indirects & Overheads	625,349	1,598,000	1,732,000	1,805,000	1,754,000	1,678,000	1,649,449
<b>Total</b>	<b>1,476,381</b>	<b>2,839,000</b>	<b>2,973,000</b>	<b>3,048,000</b>	<b>3,000,000</b>	<b>2,927,000</b>	<b>2,898,000</b>
\$ Variance to 2011 Forecast		1,362,619	1,496,619	1,571,619	1,523,619	1,450,619	1,421,619
% Variance to 2011 Forecast		92.3%	101.4%	106.5%	103.2%	98.3%	96.3%

## Callide Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	252,399	260,284	443,110	483,638	401,317	518,725	569,722	563,429	539,251	527,420
Electricity	4,557	2,385	3,477	4,977	8,920	6,313	6,313	6,313	6,313	6,313
Preventative Maintenance	80,672	42,987	65,545	71,945	56,672	91,925	89,775	91,977	98,696	93,944
Corrective Maintenance	23,526	26,625	15,487	10,677	22,551	15,415	14,083	38,721	16,764	14,624
Revenue Offsets	-934	-83,800	-21,133	-18,154	-14,150	-209,795	-209,795	-209,795	-209,795	-209,795
Indirects & Overheads	478,451	301,333	405,746	448,778	588,399	542,783	599,945	608,689	558,425	565,533
<b>Total Operating Costs</b>	<b>838,672</b>	<b>549,815</b>	<b>912,232</b>	<b>1,001,860</b>	<b>1,063,708</b>	<b>965,365</b>	<b>1,070,042</b>	<b>1,099,335</b>	<b>1,009,654</b>	<b>998,040</b>
R & E (Direct)	30,765	45,911	78,015	76,035	80,731	107,185	250,806	221,379	245,440	155,430
R & E (Non-Direct)	20,287	10,386	19,028	109,902	46,051	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>51,052</b>	<b>56,297</b>	<b>97,043</b>	<b>185,937</b>	<b>126,781</b>	<b>107,185</b>	<b>250,806</b>	<b>221,379</b>	<b>245,440</b>	<b>155,430</b>
<b>Total Expenditure</b>	<b>889,723</b>	<b>606,111</b>	<b>1,009,275</b>	<b>1,187,797</b>	<b>1,190,490</b>	<b>1,072,550</b>	<b>1,320,848</b>	<b>1,320,713</b>	<b>1,255,094</b>	<b>1,153,469</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-266,325	-309,438	-120,318	-55,613	-126,104	-51%	-54%	-21%	-10%	-24%
Electricity	-1,756	-3,927	-2,836	-1,336	2,607	-28%	-62%	-45%	-21%	41%
Preventative Maintenance	-11,253	-46,787	-26,432	-26,751	-37,272	-12%	-52%	-29%	-27%	-40%
Corrective Maintenance	8,111	12,542	-23,235	-6,086	7,927	53%	89%	-60%	-36%	54%
Revenue Offsets	208,861	125,995	188,662	191,640	195,645	-100%	-60%	-90%	-91%	-93%
Indirects & Overheads	-64,331	-298,612	-202,943	-109,648	22,866	-12%	-50%	-33%	-20%	4%
<b>Total Operating Costs</b>	<b>-126,694</b>	<b>-520,228</b>	<b>-187,103</b>	<b>-7,794</b>	<b>65,669</b>	<b>-13%</b>	<b>-49%</b>	<b>-17%</b>	<b>-1%</b>	<b>7%</b>
R & E (Direct)	-76,420	-204,895	-143,364	-169,404	-74,699	-71%	-82%	-65%	-69%	-48%
R & E (Non-Direct)	20,287	10,386	19,028	109,902	46,051	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-56,133</b>	<b>-194,509</b>	<b>-124,335</b>	<b>-59,503</b>	<b>-28,648</b>	<b>-52%</b>	<b>-78%</b>	<b>-56%</b>	<b>-24%</b>	<b>-18%</b>
<b>Total Expenditure</b>	<b>-182,827</b>	<b>-714,737</b>	<b>-311,438</b>	<b>-67,296</b>	<b>37,020</b>	<b>-17%</b>	<b>-54%</b>	<b>-24%</b>	<b>-5%</b>	<b>3%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	252,399	260,284	443,110	483,638	401,317	518,725	569,722	563,429	539,251	527,420
Preventative Maintenance	80,672	42,987	65,545	71,945	56,672	91,925	89,775	91,977	98,696	93,944
Corrective Maintenance	23,526	26,625	15,487	10,677	22,551	15,415	14,083	38,721	16,764	14,624
Indirects & Overheads	478,451	301,333	405,746	448,778	588,399	542,783	599,945	608,689	558,425	565,533
<b>Total Controllable Operating Costs</b>	<b>835,049</b>	<b>631,229</b>	<b>929,888</b>	<b>1,015,038</b>	<b>1,068,939</b>	<b>1,168,848</b>	<b>1,273,524</b>	<b>1,302,817</b>	<b>1,213,136</b>	<b>1,201,522</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-266,325	-309,438	-120,318	-55,613	-126,104	-51%	-54%	-21%	-10%	-24%
Preventative Maintenance	-11,253	-46,787	-26,432	-26,751	-37,272	-12%	-52%	-29%	-27%	-40%
Corrective Maintenance	8,111	12,542	-23,235	-6,086	7,927	53%	89%	-60%	-36%	54%
Indirects & Overheads	-64,331	-298,612	-202,943	-109,648	22,866	-12%	-50%	-33%	-20%	4%
<b>Total Controllable Operating Costs</b>	<b>-333,799</b>	<b>-642,295</b>	<b>-372,928</b>	<b>-198,098</b>	<b>-132,583</b>	<b>-29%</b>	<b>-50%</b>	<b>-29%</b>	<b>-16%</b>	<b>-11%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	527,420	290,471	291,451	290,778	291,334	292,698	293,000
Preventative Maintenance	93,944	132,859	135,491	136,556	136,215	135,435	135,000
Corrective Maintenance	14,624	17,176	17,546	17,666	17,451	17,363	17,500
Revenue Offsets	-209,795	-9,000	-9,000	-9,000	-9,000	-9,000	-9,000
Indirects & Overheads	565,533	431,495	467,513	487,000	473,000	452,504	445,500
<b>Total</b>	<b>991,727</b>	<b>863,000</b>	<b>903,000</b>	<b>923,000</b>	<b>909,000</b>	<b>889,000</b>	<b>882,000</b>
\$ Variance to 2011 Forecast		-128,727	-88,727	-68,727	-82,727	-102,727	-109,727
% Variance to 2011 Forecast		-13.0%	-8.9%	-6.9%	-8.3%	-10.4%	-11.1%

## Chinchilla Weir Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	34,328	28,329	28,087	40,179	36,321	133,436	116,942	92,198	98,035	97,230
Electricity	0	0	0	0	0	0	0	0	0	0
Preventative Maintenance	7,218	2,081	1,037	1,754	1,426	-4,217	-2,913	-1,828	-6,238	-5,692
Corrective Maintenance	4,644	0	6,379	2,213	9,660	-2,658	-1,824	21,101	-2,392	-2,454
Revenue Offsets	-1,237	-4,528	-4,216	-4,537	-3,879	-3,399	-3,399	-3,399	-3,399	-3,399
Indirects & Overheads	116,031	42,996	36,369	40,148	43,548	72,593	58,441	60,703	46,660	46,249
<b>Total Operating Costs</b>	<b>160,984</b>	<b>68,878</b>	<b>67,656</b>	<b>79,757</b>	<b>87,076</b>	<b>195,756</b>	<b>167,247</b>	<b>168,776</b>	<b>132,665</b>	<b>131,935</b>
R & E (Direct)	0	2,572	40,595	12,883	4,911	6,631	40,385	3,165	3,107	0
R & E (Non-Direct)	0	657	2,455	11,104	246	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>0</b>	<b>3,229</b>	<b>43,050</b>	<b>23,988</b>	<b>5,156</b>	<b>6,631</b>	<b>40,385</b>	<b>3,165</b>	<b>3,107</b>	<b>0</b>
<b>Total Expenditure</b>	<b>160,984</b>	<b>72,107</b>	<b>110,706</b>	<b>103,745</b>	<b>92,232</b>	<b>202,386</b>	<b>207,633</b>	<b>171,941</b>	<b>135,772</b>	<b>131,935</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-99,109	-88,613	-64,110	-57,856	-60,910	-74%	-76%	-70%	-59%	-63%
Electricity	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	11,435	4,994	2,864	7,992	7,119	-271%	-171%	-157%	-128%	-125%
Corrective Maintenance	7,302	1,824	-14,722	4,605	12,114	-275%	-100%	-70%	-193%	-494%
Revenue Offsets	2,162	-1,130	-818	-1,139	-480	-64%	33%	24%	34%	14%
Indirects & Overheads	43,438	-15,445	-24,334	-6,511	-2,701	60%	-26%	-40%	-14%	-6%
<b>Total Operating Costs</b>	<b>-34,771</b>	<b>-98,369</b>	<b>-101,120</b>	<b>-52,908</b>	<b>-44,859</b>	<b>-18%</b>	<b>-59%</b>	<b>-60%</b>	<b>-40%</b>	<b>-34%</b>
R & E (Direct)	-6,631	-37,814	37,429	9,776	4,911	-100%	-94%	1182%	315%	n/a
R & E (Non-Direct)	0	657	2,455	11,104	246	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-6,631</b>	<b>-37,157</b>	<b>39,885</b>	<b>20,881</b>	<b>5,156</b>	<b>-100%</b>	<b>-92%</b>	<b>1260%</b>	<b>672%</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-41,402</b>	<b>-135,526</b>	<b>-61,235</b>	<b>-32,028</b>	<b>-39,703</b>	<b>-20%</b>	<b>-65%</b>	<b>-36%</b>	<b>-24%</b>	<b>-30%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	34,328	28,329	28,087	40,179	36,321	133,436	116,942	92,198	98,035	97,230
Preventative Maintenance	7,218	2,081	1,037	1,754	1,426	-4,217	-2,913	-1,828	-6,238	-5,692
Corrective Maintenance	4,644	0	6,379	2,213	9,660	-2,658	-1,824	21,101	-2,392	-2,454
Indirects & Overheads	116,031	42,996	36,369	40,148	43,548	72,593	58,441	60,703	46,660	46,249
<b>Total Controllable Operating Costs</b>	<b>162,221</b>	<b>73,406</b>	<b>71,872</b>	<b>84,295</b>	<b>90,955</b>	<b>199,155</b>	<b>170,646</b>	<b>172,174</b>	<b>136,064</b>	<b>135,333</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-99,109	-88,613	-64,110	-57,856	-60,910	-74%	-76%	-70%	-59%	-63%
Preventative Maintenance	11,435	4,994	2,864	7,992	7,119	-271%	-171%	-157%	-128%	-125%
Corrective Maintenance	7,302	1,824	-14,722	4,605	12,114	-275%	-100%	-70%	-193%	-494%
Indirects & Overheads	43,438	-15,445	-24,334	-6,511	-2,701	60%	-26%	-40%	-14%	-6%
<b>Total Controllable Operating Costs</b>	<b>-36,933</b>	<b>-97,239</b>	<b>-100,302</b>	<b>-51,770</b>	<b>-44,379</b>	<b>-19%</b>	<b>-57%</b>	<b>-58%</b>	<b>-38%</b>	<b>-33%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	97,230	26,087	25,500	25,644	26,000	25,859	26,229
Preventative Maintenance	-5,692	6,261	6,000	6,411	6,000	6,085	6,171
Corrective Maintenance	-2,454	4,174	4,000	3,945	4,000	4,056	4,114
Revenue Offsets	-3,399	-4,000	-4,000	-4,000	-4,000	-4,000	-4,000
Indirects & Overheads	46,249	33,478	35,500	37,000	36,000	35,000	34,486
<b>Total</b>	<b>131,935</b>	<b>66,000</b>	<b>67,000</b>	<b>69,000</b>	<b>68,000</b>	<b>67,000</b>	<b>67,000</b>
\$ Variance to 2011 Forecast		-65,935	-64,935	-62,935	-63,935	-64,935	-64,935
% Variance to 2011 Forecast		-50.0%	-49.2%	-47.7%	-48.5%	-49.2%	-49.2%

## Cunnamulla Weir Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	11,822	13,642	19,579	24,883	26,479	72,904	54,109	55,312	53,049	49,253
Electricity	0	0	0	0	0	0	0	0	0	0
Preventative Maintenance	2,064	987	2,352	351	348	-9,986	-3,162	-5,252	-5,021	-3,496
Corrective Maintenance	0	2,490	7,161	0	763	-4,117	-739	-922	-598	-411
Revenue Offsets	290	-2,802	0	-1,092	-757	0	0	0	0	0
Indirects & Overheads	64,524	17,274	35,159	20,672	20,570	77,846	56,999	55,777	50,232	48,448
<b>Total Operating Costs</b>	<b>78,700</b>	<b>31,592</b>	<b>64,251</b>	<b>44,815</b>	<b>47,403</b>	<b>136,647</b>	<b>107,207</b>	<b>104,915</b>	<b>97,662</b>	<b>93,794</b>
R & E (Direct)	826	0	21,316	0	3,180	0	0	0	0	20,912
R & E (Non-Direct)	25	0	2,029	0	6,936	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>850</b>	<b>0</b>	<b>23,345</b>	<b>0</b>	<b>10,116</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,912</b>
<b>Total Expenditure</b>	<b>79,550</b>	<b>31,592</b>	<b>87,596</b>	<b>44,815</b>	<b>57,519</b>	<b>136,647</b>	<b>107,207</b>	<b>104,915</b>	<b>97,662</b>	<b>114,706</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-61,082	-40,467	-35,733	-28,165	-22,774	-84%	-75%	-65%	-53%	-46%
Electricity	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	12,050	4,149	7,604	5,372	3,844	-121%	-131%	-145%	-107%	-110%
Corrective Maintenance	4,117	3,229	8,083	598	1,174	-100%	-437%	-877%	-100%	-286%
Revenue Offsets	290	-2,802	0	-1,092	-757	n/a	n/a	n/a	n/a	n/a
Indirects & Overheads	-13,322	-39,724	-20,618	-29,559	-27,878	-17%	-70%	-37%	-59%	-58%
<b>Total Operating Costs</b>	<b>-57,948</b>	<b>-75,615</b>	<b>-40,664</b>	<b>-52,846</b>	<b>-46,391</b>	<b>-42%</b>	<b>-71%</b>	<b>-39%</b>	<b>-54%</b>	<b>-49%</b>
R & E (Direct)	826	0	21,316	0	-17,732	n/a	n/a	n/a	n/a	-85%
R & E (Non-Direct)	25	0	2,029	0	6,936	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>850</b>	<b>0</b>	<b>23,345</b>	<b>0</b>	<b>-10,796</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>-52%</b>
<b>Total Expenditure</b>	<b>-57,097</b>	<b>-75,615</b>	<b>-17,319</b>	<b>-52,846</b>	<b>-57,187</b>	<b>-42%</b>	<b>-71%</b>	<b>-17%</b>	<b>-54%</b>	<b>-50%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	11,822	13,642	19,579	24,883	26,479	72,904	54,109	55,312	53,049	49,253
Preventative Maintenance	2,064	987	2,352	351	348	-9,986	-3,162	-5,252	-5,021	-3,496
Corrective Maintenance	0	2,490	7,161	0	763	-4,117	-739	-922	-598	-411
Indirects & Overheads	64,524	17,274	35,159	20,672	20,570	77,846	56,999	55,777	50,232	48,448
<b>Total Controllable Operating Costs</b>	<b>78,410</b>	<b>34,393</b>	<b>64,251</b>	<b>45,907</b>	<b>48,160</b>	<b>136,647</b>	<b>107,207</b>	<b>104,915</b>	<b>97,662</b>	<b>93,794</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-61,082	-40,467	-35,733	-28,165	-22,774	-84%	-75%	-65%	-53%	-46%
Preventative Maintenance	12,050	4,149	7,604	5,372	3,844	-121%	-131%	-145%	-107%	-110%
Corrective Maintenance	4,117	3,229	8,083	598	1,174	-100%	-437%	-877%	-100%	-286%
Indirects & Overheads	-13,322	-39,724	-20,618	-29,559	-27,878	-17%	-70%	-37%	-59%	-58%
<b>Total Controllable Operating Costs</b>	<b>-58,237</b>	<b>-72,813</b>	<b>-40,664</b>	<b>-51,754</b>	<b>-45,634</b>	<b>-43%</b>	<b>-68%</b>	<b>-39%</b>	<b>-53%</b>	<b>-49%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	49,253	18,500	18,778	18,909	18,909	18,778	19,132
Preventative Maintenance	-3,496	3,000	2,889	2,836	2,836	2,889	2,943
Corrective Maintenance	-411	4,000	3,852	3,782	3,782	3,852	3,925
Revenue Offsets	0	-19,000	-2,000	-2,000	-2,000	-2,000	-2,000
Indirects & Overheads	48,448	25,500	27,481	28,473	28,473	27,481	27,000
<b>Total</b>	<b>93,794</b>	<b>32,000</b>	<b>51,000</b>	<b>52,000</b>	<b>52,000</b>	<b>51,000</b>	<b>51,000</b>
\$ Variance to 2011 Forecast		-61,794	-42,794	-41,794	-41,794	-42,794	-42,794
% Variance to 2011 Forecast		-65.9%	-45.6%	-44.6%	-44.6%	-45.6%	-45.6%

## Dawson Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	272,928	292,561	281,689	383,801	304,133	552,166	423,545	365,777	361,588	352,236
Electricity	921	48,045	20,109	48,229	1,583	43,323	43,323	43,323	43,323	43,323
Preventative Maintenance	76,633	48,832	62,899	44,198	35,937	60,304	56,602	57,771	146,226	58,550
Corrective Maintenance	78,869	58,883	58,237	62,377	164,831	29,097	29,097	29,097	79,754	31,046
Revenue Offsets	-13,930	-11,107	-14,358	-14,199	-575	0	0	0	0	0
Indirects & Overheads	698,978	459,365	627,472	665,332	639,470	548,227	433,665	379,377	479,085	373,559
<b>Total Operating Costs</b>	<b>1,114,399</b>	<b>896,580</b>	<b>1,036,047</b>	<b>1,189,738</b>	<b>1,145,380</b>	<b>1,233,117</b>	<b>986,233</b>	<b>875,346</b>	<b>1,109,976</b>	<b>858,714</b>
R & E (Direct)	135,066	85,278	84,965	80,663	180,976	133,356	67,988	49,064	222,627	212,209
R & E (Non-Direct)	15,609	57,586	18,747	50,017	94,336	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>150,675</b>	<b>142,864</b>	<b>103,712</b>	<b>130,680</b>	<b>275,312</b>	<b>133,356</b>	<b>67,988</b>	<b>49,064</b>	<b>222,627</b>	<b>212,209</b>
<b>Total Expenditure</b>	<b>1,265,075</b>	<b>1,039,444</b>	<b>1,139,759</b>	<b>1,320,418</b>	<b>1,420,691</b>	<b>1,366,473</b>	<b>1,054,221</b>	<b>924,409</b>	<b>1,332,603</b>	<b>1,070,923</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-279,238	-130,984	-84,088	22,213	-48,103	-51%	-31%	-23%	6%	-14%
Electricity	-42,402	4,722	-23,214	4,906	-41,740	-98%	11%	-54%	11%	-96%
Preventative Maintenance	16,329	-7,770	5,127	-102,028	-22,613	27%	-14%	9%	-70%	-39%
Corrective Maintenance	49,772	29,786	29,140	-17,378	133,785	171%	102%	100%	-22%	431%
Revenue Offsets	-13,930	-11,107	-14,358	-14,199	-575	n/a	n/a	n/a	n/a	n/a
Indirects & Overheads	150,751	25,700	248,095	186,247	265,911	27%	6%	65%	39%	71%
<b>Total Operating Costs</b>	<b>-118,718</b>	<b>-89,653</b>	<b>160,701</b>	<b>79,762</b>	<b>286,666</b>	<b>-10%</b>	<b>-9%</b>	<b>18%</b>	<b>7%</b>	<b>33%</b>
R & E (Direct)	1,710	17,290	35,901	-141,964	-31,233	1%	25%	73%	-64%	-15%
R & E (Non-Direct)	15,609	57,586	18,747	50,017	94,336	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>17,320</b>	<b>74,876</b>	<b>54,648</b>	<b>-91,947</b>	<b>63,103</b>	<b>13%</b>	<b>110%</b>	<b>111%</b>	<b>-41%</b>	<b>30%</b>
<b>Total Expenditure</b>	<b>-101,398</b>	<b>-14,777</b>	<b>215,349</b>	<b>-12,185</b>	<b>349,769</b>	<b>-7%</b>	<b>-1%</b>	<b>23%</b>	<b>-1%</b>	<b>33%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	272,928	292,561	281,689	383,801	304,133	552,166	423,545	365,777	361,588	352,236
Preventative Maintenance	76,633	48,832	62,899	44,198	35,937	60,304	56,602	57,771	146,226	58,550
Corrective Maintenance	78,869	58,883	58,237	62,377	164,831	29,097	29,097	29,097	79,754	31,046
Indirects & Overheads	698,978	459,365	627,472	665,332	639,470	548,227	433,665	379,377	479,085	373,559
<b>Total Controllable Operating Costs</b>	<b>1,127,408</b>	<b>859,641</b>	<b>1,030,297</b>	<b>1,155,708</b>	<b>1,144,371</b>	<b>1,189,794</b>	<b>942,910</b>	<b>832,022</b>	<b>1,066,653</b>	<b>815,391</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-279,238	-130,984	-84,088	22,213	-48,103	-51%	-31%	-23%	6%	-14%
Preventative Maintenance	16,329	-7,770	5,127	-102,028	-22,613	27%	-14%	9%	-70%	-39%
Corrective Maintenance	49,772	29,786	29,140	-17,378	133,785	171%	102%	100%	-22%	431%
Indirects & Overheads	150,751	25,700	248,095	186,247	265,911	27%	6%	65%	39%	71%
<b>Total Controllable Operating Costs</b>	<b>-62,386</b>	<b>-83,268</b>	<b>198,274</b>	<b>89,055</b>	<b>328,980</b>	<b>-5%</b>	<b>-9%</b>	<b>24%</b>	<b>8%</b>	<b>40%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	352,236	256,581	259,317	259,824	260,080	260,536	260,643
Preventative Maintenance	58,550	79,806	80,933	80,942	80,941	81,365	81,184
Corrective Maintenance	31,046	36,471	37,163	37,233	37,389	37,099	37,174
Revenue Offsets	0	-5,000	-5,000	-5,000	-5,000	-5,000	-5,000
Indirects & Overheads	373,559	496,142	536,587	556,000	542,589	520,000	508,000
<b>Total</b>	<b>815,391</b>	<b>864,000</b>	<b>909,000</b>	<b>929,000</b>	<b>916,000</b>	<b>894,000</b>	<b>882,000</b>
\$ Variance to 2011 Forecast		48,609	93,609	113,609	100,609	78,609	66,609
% Variance to 2011 Forecast		6.0%	11.5%	13.9%	12.3%	9.6%	8.2%

## Eton Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	320,109	479,071	287,744	346,956	415,074	19,791	17,513	16,518	13,998	17,998
Electricity	174,659	202,150	163,488	171,829	86,581	8,492	8,492	8,492	8,492	8,492
Preventative Maintenance	101,171	128,661	133,757	129,223	146,786	4,941	3,760	4,834	3,073	5,881
Corrective Maintenance	106,816	94,496	95,627	157,578	167,771	3,825	3,199	3,711	2,930	3,900
Revenue Offsets	-2,630	-3,128	-250	-603	-498	-67	-67	-67	-67	-67
Indirects & Overheads	560,277	751,228	416,551	569,818	819,824	15,189	14,570	13,049	12,783	12,471
<b>Total Operating Costs</b>	<b>1,260,402</b>	<b>1,652,478</b>	<b>1,096,916</b>	<b>1,374,801</b>	<b>1,635,538</b>	<b>52,171</b>	<b>47,467</b>	<b>46,537</b>	<b>41,209</b>	<b>48,674</b>
R & E (Direct)	267,963	189,982	217,518	355,934	259,063	223,499	86,122	106,465	36,248	128,309
R & E (Non-Direct)	78,650	81,367	48,396	164,828	66,695	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>346,613</b>	<b>271,349</b>	<b>265,914</b>	<b>520,762</b>	<b>325,758</b>	<b>223,499</b>	<b>86,122</b>	<b>106,465</b>	<b>36,248</b>	<b>128,309</b>
<b>Total Expenditure</b>	<b>1,607,015</b>	<b>1,923,827</b>	<b>1,362,830</b>	<b>1,895,563</b>	<b>1,961,296</b>	<b>275,670</b>	<b>133,590</b>	<b>153,002</b>	<b>77,457</b>	<b>176,983</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	300,318	461,558	271,226	332,959	397,077	1517%	2636%	1642%	2379%	2206%
Electricity	166,167	193,658	154,996	163,337	78,089	1957%	2281%	1825%	1923%	920%
Preventative Maintenance	96,230	124,901	128,923	126,150	140,905	1947%	3321%	2667%	4105%	2396%
Corrective Maintenance	102,991	91,297	91,916	154,648	163,871	2693%	2854%	2477%	5278%	4202%
Revenue Offsets	-2,563	-3,062	-183	-536	-431	3830%	4575%	273%	801%	644%
Indirects & Overheads	545,088	736,658	403,501	557,035	807,354	3589%	5056%	3092%	4358%	6474%
<b>Total Operating Costs</b>	<b>1,208,231</b>	<b>1,605,010</b>	<b>1,050,379</b>	<b>1,333,593</b>	<b>1,586,864</b>	<b>2316%</b>	<b>3381%</b>	<b>2257%</b>	<b>3236%</b>	<b>3260%</b>
R & E (Direct)	44,464	103,860	111,053	319,686	130,754	20%	121%	104%	882%	102%
R & E (Non-Direct)	78,650	81,367	48,396	164,828	66,695	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>123,114</b>	<b>185,227</b>	<b>159,450</b>	<b>484,514</b>	<b>197,449</b>	<b>55%</b>	<b>215%</b>	<b>150%</b>	<b>1337%</b>	<b>154%</b>
<b>Total Expenditure</b>	<b>1,331,345</b>	<b>1,790,237</b>	<b>1,209,829</b>	<b>1,818,107</b>	<b>1,784,313</b>	<b>483%</b>	<b>1340%</b>	<b>791%</b>	<b>2347%</b>	<b>1008%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	320,109	479,071	287,744	346,956	415,074	19,791	17,513	16,518	13,998	17,998
Preventative Maintenance	101,171	128,661	133,757	129,223	146,786	4,941	3,760	4,834	3,073	5,881
Corrective Maintenance	106,816	94,496	95,627	157,578	167,771	3,825	3,199	3,711	2,930	3,900
Indirects & Overheads	560,277	751,228	416,551	569,818	819,824	15,189	14,570	13,049	12,783	12,471
<b>Total Controllable Operating Costs</b>	<b>1,088,373</b>	<b>1,453,456</b>	<b>933,678</b>	<b>1,203,576</b>	<b>1,549,455</b>	<b>43,746</b>	<b>39,042</b>	<b>38,112</b>	<b>32,784</b>	<b>40,249</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	300,318	461,558	271,226	332,959	397,077	1517%	2636%	1642%	2379%	2206%
Preventative Maintenance	96,230	124,901	128,923	126,150	140,905	1947%	3321%	2667%	4105%	2396%
Corrective Maintenance	102,991	91,297	91,916	154,648	163,871	2693%	2854%	2477%	5278%	4202%
Indirects & Overheads	545,088	736,658	403,501	557,035	807,354	3589%	5056%	3092%	4358%	6474%
<b>Total Controllable Operating Costs</b>	<b>1,044,627</b>	<b>1,414,414</b>	<b>895,566</b>	<b>1,170,792</b>	<b>1,509,206</b>	<b>2388%</b>	<b>3623%</b>	<b>2350%</b>	<b>3571%</b>	<b>3750%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	17,998	290,785	293,827	294,850	295,551	296,449	296,606
Preventative Maintenance	5,881	224,180	227,716	228,869	230,572	231,584	231,774
Corrective Maintenance	3,900	156,493	158,457	159,281	160,876	161,894	162,080
Revenue Offsets	-67	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000
Indirects & Overheads	12,471	568,541	616,000	642,000	624,000	597,072	587,540
<b>Total</b>	<b>40,182</b>	<b>1,238,000</b>	<b>1,294,000</b>	<b>1,323,000</b>	<b>1,309,000</b>	<b>1,285,000</b>	<b>1,276,000</b>
\$ Variance to 2011 Forecast		1,197,818	1,253,818	1,282,818	1,268,818	1,244,818	1,235,818
% Variance to 2011 Forecast		2981.0%	3120.3%	3192.5%	3157.7%	3097.9%	3075.5%

## Lower Fitzroy Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	38,159	-873	64,342	72,937	43,450	9,992	11,525	11,062	12,541	13,318
Electricity	745	813	906	1,164	1,280	0	0	0	0	0
Preventative Maintenance	21,849	13,782	20,187	24,363	13,441	1,491	1,523	1,370	3,343	2,875
Corrective Maintenance	75,698	26,390	39,560	28,354	67,307	565	1,093	550	750	1,898
Revenue Offsets	0	-1,422	240	-427	-411	0	0	0	0	0
Indirects & Overheads	176,206	148,858	201,349	151,170	107,731	10,173	11,319	10,884	11,978	11,881
<b>Total Operating Costs</b>	<b>312,657</b>	<b>187,549</b>	<b>326,583</b>	<b>277,561</b>	<b>232,799</b>	<b>22,221</b>	<b>25,461</b>	<b>23,865</b>	<b>28,612</b>	<b>29,971</b>
R & E (Direct)	8,618	3,099	61,616	16,326	81,339	0	10,628	0	25,891	48,098
R & E (Non-Direct)	1,069	1,418	29,515	11,432	12,035	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>9,687</b>	<b>4,517</b>	<b>91,131</b>	<b>27,758</b>	<b>93,375</b>	<b>0</b>	<b>10,628</b>	<b>0</b>	<b>25,891</b>	<b>48,098</b>
<b>Total Expenditure</b>	<b>322,344</b>	<b>192,065</b>	<b>417,714</b>	<b>305,319</b>	<b>326,174</b>	<b>22,221</b>	<b>36,089</b>	<b>23,865</b>	<b>54,503</b>	<b>78,069</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	28,168	-12,398	53,280	60,397	30,133	282%	-108%	482%	482%	226%
Electricity	745	813	906	1,164	1,280	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	20,358	12,259	18,817	21,020	10,566	1365%	805%	1373%	629%	368%
Corrective Maintenance	75,133	25,297	39,010	27,604	65,409	13290%	2314%	7096%	3680%	3446%
Revenue Offsets	0	-1,422	240	-427	-411	n/a	n/a	n/a	n/a	n/a
Indirects & Overheads	166,033	137,539	190,465	139,192	95,851	1632%	1215%	1750%	1162%	807%
<b>Total Operating Costs</b>	<b>290,436</b>	<b>162,087</b>	<b>302,718</b>	<b>248,949</b>	<b>202,828</b>	<b>1307%</b>	<b>637%</b>	<b>1268%</b>	<b>870%</b>	<b>677%</b>
R & E (Direct)	8,618	-7,529	61,616	-9,565	33,242	n/a	-71%	n/a	-37%	69%
R & E (Non-Direct)	1,069	1,418	29,515	11,432	12,035	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>9,687</b>	<b>-6,111</b>	<b>91,131</b>	<b>1,867</b>	<b>45,277</b>	<b>n/a</b>	<b>-58%</b>	<b>n/a</b>	<b>7%</b>	<b>94%</b>
<b>Total Expenditure</b>	<b>300,123</b>	<b>155,976</b>	<b>393,849</b>	<b>250,816</b>	<b>248,105</b>	<b>1351%</b>	<b>432%</b>	<b>1650%</b>	<b>460%</b>	<b>318%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	38,159	-873	64,342	72,937	43,450	9,992	11,525	11,062	12,541	13,318
Preventative Maintenance	21,849	13,782	20,187	24,363	13,441	1,491	1,523	1,370	3,343	2,875
Corrective Maintenance	75,698	26,390	39,560	28,354	67,307	565	1,093	550	750	1,898
Indirects & Overheads	176,206	148,858	201,349	151,170	107,731	10,173	11,319	10,884	11,978	11,881
<b>Total Controllable Operating Costs</b>	<b>311,912</b>	<b>188,158</b>	<b>325,437</b>	<b>276,824</b>	<b>231,929</b>	<b>22,221</b>	<b>25,461</b>	<b>23,865</b>	<b>28,612</b>	<b>29,971</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	28,168	-12,398	53,280	60,397	30,133	282%	-108%	482%	482%	226%
Preventative Maintenance	20,358	12,259	18,817	21,020	10,566	1365%	805%	1373%	629%	368%
Corrective Maintenance	75,133	25,297	39,010	27,604	65,409	13290%	2314%	7096%	3680%	3446%
Indirects & Overheads	166,033	137,539	190,465	139,192	95,851	1632%	1215%	1750%	1162%	807%
<b>Total Controllable Operating Costs</b>	<b>289,691</b>	<b>162,697</b>	<b>301,572</b>	<b>248,212</b>	<b>201,958</b>	<b>1304%</b>	<b>639%</b>	<b>1264%</b>	<b>868%</b>	<b>674%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	13,318	61,915	62,737	62,680	63,038	63,422	63,194
Preventative Maintenance	2,875	37,764	38,316	38,351	38,500	38,758	39,058
Corrective Maintenance	1,898	18,882	18,947	18,969	19,038	19,379	19,309
Revenue Offsets	0	0	0	0	0	0	0
Indirects & Overheads	11,881	151,439	165,000	171,000	164,423	154,440	155,439
<b>Total</b>	<b>29,971</b>	<b>270,000</b>	<b>285,000</b>	<b>291,000</b>	<b>285,000</b>	<b>276,000</b>	<b>277,000</b>
\$ Variance to 2011 Forecast		240,029	255,029	261,029	255,029	246,029	247,029
% Variance to 2011 Forecast		800.9%	850.9%	870.9%	850.9%	820.9%	824.2%

## Lower Mary Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	102,517	68,063	102,095	146,820	62,386	14,836	10,634	9,508	9,103	10,782
Electricity	111,822	0	0	0	0	21,042	21,042	21,042	21,042	21,042
Preventative Maintenance	11,845	767	4,226	4,321	612	947	381	-329	766	437
Corrective Maintenance	7,007	1,792	10,823	5,204	16,582	8,421	11,748	7,633	7,517	7,872
Revenue Offsets	307	-3,537	-5,279	-8,956	240	-141	-141	-141	-141	-141
Indirects & Overheads	45,332	40,229	103,282	155,106	106,700	18,623	18,337	14,656	15,447	14,575
<b>Total Operating Costs</b>	<b>278,831</b>	<b>107,313</b>	<b>215,148</b>	<b>302,494</b>	<b>186,520</b>	<b>63,728</b>	<b>62,001</b>	<b>52,368</b>	<b>53,733</b>	<b>54,567</b>
R & E (Direct)	46,111	16,671	17,718	58,620	18,143	51,772	14,717	-13,877	-13,621	17,616
R & E (Non-Direct)	11,517	5,147	4,516	55,290	10,862	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>57,628</b>	<b>21,819</b>	<b>22,235</b>	<b>113,910</b>	<b>29,005</b>	<b>51,772</b>	<b>14,717</b>	<b>-13,877</b>	<b>-13,621</b>	<b>17,616</b>
<b>Total Expenditure</b>	<b>336,459</b>	<b>129,132</b>	<b>237,383</b>	<b>416,404</b>	<b>215,525</b>	<b>115,500</b>	<b>76,718</b>	<b>38,491</b>	<b>40,113</b>	<b>72,183</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	87,681	57,429	92,588	137,717	51,603	591%	540%	974%	1513%	479%
Electricity	90,781	-21,042	-21,042	-21,042	-21,042	431%	-100%	-100%	-100%	-100%
Preventative Maintenance	10,897	386	4,555	3,555	174	1150%	101%	-1385%	464%	40%
Corrective Maintenance	-1,414	-9,957	3,190	-2,313	8,711	-17%	-85%	42%	-31%	111%
Revenue Offsets	448	-3,396	-5,138	-8,815	381	-318%	2406%	3640%	6246%	-270%
Indirects & Overheads	26,710	21,892	88,627	139,659	92,125	143%	119%	605%	904%	632%
<b>Total Operating Costs</b>	<b>215,103</b>	<b>45,312</b>	<b>162,780</b>	<b>248,761</b>	<b>131,953</b>	<b>338%</b>	<b>73%</b>	<b>311%</b>	<b>463%</b>	<b>242%</b>
R & E (Direct)	-5,660	1,954	31,595	72,241	526	-11%	13%	-228%	-530%	3%
R & E (Non-Direct)	11,517	5,147	4,516	55,290	10,862	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>5,857</b>	<b>7,102</b>	<b>36,112</b>	<b>127,531</b>	<b>11,389</b>	<b>11%</b>	<b>48%</b>	<b>-260%</b>	<b>-936%</b>	<b>65%</b>
<b>Total Expenditure</b>	<b>220,960</b>	<b>52,413</b>	<b>198,892</b>	<b>376,292</b>	<b>143,342</b>	<b>191%</b>	<b>68%</b>	<b>517%</b>	<b>938%</b>	<b>199%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	102,517	68,063	102,095	146,820	62,386	14,836	10,634	9,508	9,103	10,782
Preventative Maintenance	11,845	767	4,226	4,321	612	947	381	-329	766	437
Corrective Maintenance	7,007	1,792	10,823	5,204	16,582	8,421	11,748	7,633	7,517	7,872
Indirects & Overheads	45,332	40,229	103,282	155,106	106,700	18,623	18,337	14,656	15,447	14,575
<b>Total Controllable Operating Costs</b>	<b>166,701</b>	<b>110,850</b>	<b>220,427</b>	<b>311,451</b>	<b>186,280</b>	<b>42,827</b>	<b>41,100</b>	<b>31,467</b>	<b>32,833</b>	<b>33,666</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	87,681	57,429	92,588	137,717	51,603	591%	540%	974%	1513%	479%
Preventative Maintenance	10,897	386	4,555	3,555	174	1150%	101%	-1385%	464%	40%
Corrective Maintenance	-1,414	-9,957	3,190	-2,313	8,711	-17%	-85%	42%	-31%	111%
Indirects & Overheads	26,710	21,892	88,627	139,659	92,125	143%	119%	605%	904%	632%
<b>Total Controllable Operating Costs</b>	<b>123,874</b>	<b>69,749</b>	<b>188,960</b>	<b>278,618</b>	<b>152,613</b>	<b>289%</b>	<b>170%</b>	<b>600%</b>	<b>849%</b>	<b>453%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	10,782	78,609	79,407	79,455	79,644	79,600	79,516
Preventative Maintenance	437	29,069	29,483	29,556	29,671	29,600	29,616
Corrective Maintenance	7,872	5,322	5,110	4,990	5,075	5,200	5,274
Revenue Offsets	-141	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000
Indirects & Overheads	14,575	163,000	176,000	183,000	178,610	171,600	167,594
<b>Total</b>	<b>33,525</b>	<b>274,000</b>	<b>288,000</b>	<b>295,000</b>	<b>291,000</b>	<b>284,000</b>	<b>280,000</b>
\$ Variance to 2011 Forecast		240,475	254,475	261,475	257,475	250,475	246,475
% Variance to 2011 Forecast		717.3%	759.1%	779.9%	768.0%	747.1%	735.2%



## Macintyre Brook Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	551,233	318,536	375,048	320,158	298,710	566,268	522,291	434,580	438,202	423,882
Electricity	887	805	1,441	1,159	1,248	990	990	990	990	990
Preventative Maintenance	63,418	49,316	33,746	59,616	31,505	47,783	74,482	47,995	42,041	59,722
Corrective Maintenance	2,564	23,950	9,491	11,137	211,657	-710	5,612	1,252	-61	-855
Revenue Offsets	-18,781	-34,307	-14,948	-12,521	-13,557	-23,531	-23,531	-23,531	-23,531	-23,531
Indirects & Overheads	565,354	581,136	517,654	479,938	625,241	322,259	267,159	221,032	217,689	219,662
<b>Total Operating Costs</b>	<b>1,164,675</b>	<b>939,436</b>	<b>922,431</b>	<b>859,487</b>	<b>1,154,804</b>	<b>913,060</b>	<b>847,003</b>	<b>682,319</b>	<b>675,330</b>	<b>679,870</b>
R & E (Direct)	144,282	537,302	707,615	613,550	348,586	215,494	818,574	160,905	125,314	121,290
R & E (Non-Direct)	45,796	141,087	167,562	262,032	196,555	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>190,078</b>	<b>678,389</b>	<b>875,177</b>	<b>875,583</b>	<b>545,141</b>	<b>215,494</b>	<b>818,574</b>	<b>160,905</b>	<b>125,314</b>	<b>121,290</b>
<b>Total Expenditure</b>	<b>1,354,753</b>	<b>1,617,825</b>	<b>1,797,609</b>	<b>1,735,069</b>	<b>1,699,946</b>	<b>1,128,554</b>	<b>1,665,577</b>	<b>843,224</b>	<b>800,644</b>	<b>801,160</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-15,035	-203,756	-59,532	-118,044	-125,172	-3%	-39%	-14%	-27%	-30%
Electricity	-103	-186	450	169	258	-10%	-19%	45%	17%	26%
Preventative Maintenance	15,635	-25,165	-14,249	17,575	-28,217	33%	-34%	-30%	42%	-47%
Corrective Maintenance	3,274	18,338	8,239	11,197	212,513	-461%	327%	658%	-18495%	-24844%
Revenue Offsets	4,750	-10,776	8,583	11,010	9,974	-20%	46%	-36%	-47%	-42%
Indirects & Overheads	243,095	313,977	296,621	262,250	405,579	75%	118%	134%	120%	185%
<b>Total Operating Costs</b>	<b>251,615</b>	<b>92,433</b>	<b>240,112</b>	<b>184,157</b>	<b>474,934</b>	<b>28%</b>	<b>11%</b>	<b>35%</b>	<b>27%</b>	<b>70%</b>
R & E (Direct)	-71,212	-281,272	546,710	488,237	227,297	-33%	-34%	340%	390%	187%
R & E (Non-Direct)	45,796	141,087	167,562	262,032	196,555	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-25,416</b>	<b>-140,185</b>	<b>714,273</b>	<b>750,269</b>	<b>423,852</b>	<b>-12%</b>	<b>-17%</b>	<b>444%</b>	<b>599%</b>	<b>349%</b>
<b>Total Expenditure</b>	<b>226,199</b>	<b>-47,752</b>	<b>954,385</b>	<b>934,426</b>	<b>898,786</b>	<b>20%</b>	<b>-3%</b>	<b>113%</b>	<b>117%</b>	<b>112%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	551,233	318,536	375,048	320,158	298,710	566,268	522,291	434,580	438,202	423,882
Preventative Maintenance	63,418	49,316	33,746	59,616	31,505	47,783	74,482	47,995	42,041	59,722
Corrective Maintenance	2,564	23,950	9,491	11,137	211,657	-710	5,612	1,252	-61	-855
Indirects & Overheads	565,354	581,136	517,654	479,938	625,241	322,259	267,159	221,032	217,689	219,662
<b>Total Controllable Operating Costs</b>	<b>1,182,569</b>	<b>972,939</b>	<b>935,939</b>	<b>870,849</b>	<b>1,167,113</b>	<b>935,600</b>	<b>869,544</b>	<b>704,860</b>	<b>697,871</b>	<b>702,411</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-15,035	-203,756	-59,532	-118,044	-125,172	-3%	-39%	-14%	-27%	-30%
Preventative Maintenance	15,635	-25,165	-14,249	17,575	-28,217	33%	-34%	-30%	42%	-47%
Corrective Maintenance	3,274	18,338	8,239	11,197	212,513	-461%	327%	658%	-18495%	-24844%
Indirects & Overheads	243,095	313,977	296,621	262,250	405,579	75%	118%	134%	120%	185%
<b>Total Controllable Operating Costs</b>	<b>246,968</b>	<b>103,395</b>	<b>231,079</b>	<b>172,978</b>	<b>464,702</b>	<b>26%</b>	<b>12%</b>	<b>33%</b>	<b>25%</b>	<b>66%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	423,882	281,663	284,353	284,649	285,088	286,009	285,928
Preventative Maintenance	59,722	75,423	76,918	77,159	77,271	76,938	76,867
Corrective Maintenance	-855	14,914	15,138	15,192	15,047	15,053	15,204
Revenue Offsets	-23,531	-33,000	-11,000	-11,000	-11,000	-11,000	-11,000
Indirects & Overheads	219,662	501,000	543,591	566,000	550,593	526,000	517,000
<b>Total</b>	<b>678,880</b>	<b>840,000</b>	<b>909,000</b>	<b>932,000</b>	<b>917,000</b>	<b>893,000</b>	<b>884,000</b>
\$ Variance to 2011 Forecast		161,120	230,120	253,120	238,120	214,120	205,120
% Variance to 2011 Forecast		23.7%	33.9%	37.3%	35.1%	31.5%	30.2%

## Maranoa Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	10,920	11,972	14,955	16,117	12,957	85,992	62,181	60,100	56,196	53,847
Electricity	0	0	0	0	0	0	0	0	0	0
Preventative Maintenance	2,033	690	285	379	0	-3,462	1,079	294	-250	795
Corrective Maintenance	6,793	457	51,559	0	1,224	-866	1,240	1,170	1,109	1,312
Revenue Offsets	0	0	0	0	0	0	0	0	0	0
Indirects & Overheads	49,950	14,893	19,090	5,827	9,587	74,236	52,863	49,964	45,635	44,406
<b>Total Operating Costs</b>	<b>69,697</b>	<b>28,012</b>	<b>85,888</b>	<b>22,323</b>	<b>23,769</b>	<b>155,900</b>	<b>117,362</b>	<b>111,529</b>	<b>102,691</b>	<b>100,360</b>
R & E (Direct)	2,697	0	0	1,220	0	0	0	0	0	26,140
R & E (Non-Direct)	1,367	0	0	2,178	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>4,064</b>	<b>0</b>	<b>0</b>	<b>3,398</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,140</b>
<b>Total Expenditure</b>	<b>73,761</b>	<b>28,012</b>	<b>85,888</b>	<b>25,721</b>	<b>23,769</b>	<b>155,900</b>	<b>117,362</b>	<b>111,529</b>	<b>102,691</b>	<b>126,500</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-75,072	-50,209	-45,144	-40,079	-40,889	-87%	-81%	-75%	-71%	-76%
Electricity	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	5,495	-389	-9	629	-795	-159%	-36%	-3%	-252%	-100%
Corrective Maintenance	7,659	-783	50,388	-1,109	-88	-884%	-63%	4306%	-100%	-7%
Revenue Offsets	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Indirects & Overheads	-24,286	-37,969	-30,875	-39,807	-34,819	-33%	-72%	-62%	-87%	-78%
<b>Total Operating Costs</b>	<b>-86,204</b>	<b>-89,349</b>	<b>-25,640</b>	<b>-80,367</b>	<b>-76,591</b>	<b>-55%</b>	<b>-76%</b>	<b>-23%</b>	<b>-78%</b>	<b>-76%</b>
R & E (Direct)	2,697	0	0	1,220	-26,140	n/a	n/a	n/a	n/a	-100%
R & E (Non-Direct)	1,367	0	0	2,178	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>4,064</b>	<b>0</b>	<b>0</b>	<b>3,398</b>	<b>-26,140</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>-100%</b>
<b>Total Expenditure</b>	<b>-82,140</b>	<b>-89,349</b>	<b>-25,640</b>	<b>-76,970</b>	<b>-102,731</b>	<b>-53%</b>	<b>-76%</b>	<b>-23%</b>	<b>-75%</b>	<b>-81%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	10,920	11,972	14,955	16,117	12,957	85,992	62,181	60,100	56,196	53,847
Preventative Maintenance	2,033	690	285	379	0	-3,462	1,079	294	-250	795
Corrective Maintenance	6,793	457	51,559	0	1,224	-866	1,240	1,170	1,109	1,312
Indirects & Overheads	49,950	14,893	19,090	5,827	9,587	74,236	52,863	49,964	45,635	44,406
<b>Total Controllable Operating Costs</b>	<b>69,697</b>	<b>28,012</b>	<b>85,888</b>	<b>22,323</b>	<b>23,769</b>	<b>155,900</b>	<b>117,362</b>	<b>111,529</b>	<b>102,691</b>	<b>100,360</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-75,072	-50,209	-45,144	-40,079	-40,889	-87%	-81%	-75%	-71%	-76%
Preventative Maintenance	5,495	-389	-9	629	-795	-159%	-36%	-3%	-252%	-100%
Corrective Maintenance	7,659	-783	50,388	-1,109	-88	-884%	-63%	4306%	-100%	-7%
Indirects & Overheads	-24,286	-37,969	-30,875	-39,807	-34,819	-33%	-72%	-62%	-87%	-78%
<b>Total Controllable Operating Costs</b>	<b>-86,204</b>	<b>-89,349</b>	<b>-25,640</b>	<b>-80,367</b>	<b>-76,591</b>	<b>-55%</b>	<b>-76%</b>	<b>-23%</b>	<b>-78%</b>	<b>-76%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	53,847	11,355	11,500	11,636	11,500	11,500	11,871
Preventative Maintenance	795	3,613	3,500	3,394	3,500	3,500	3,613
Corrective Maintenance	1,312	516	500	485	500	500	516
Revenue Offsets	0	0	0	0	0	0	0
Indirects & Overheads	44,406	14,516	15,500	16,485	15,500	15,500	15,000
<b>Total</b>	<b>100,360</b>	<b>30,000</b>	<b>31,000</b>	<b>32,000</b>	<b>31,000</b>	<b>31,000</b>	<b>31,000</b>
\$ Variance to 2011 Forecast		-70,360	-69,360	-68,360	-69,360	-69,360	-69,360
% Variance to 2011 Forecast		-70.1%	-69.1%	-68.1%	-69.1%	-69.1%	-69.1%

## Mareeba Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	318,934	350,919	404,721	418,486	462,420	135,943	128,952	122,848	117,076	133,754
Electricity	3,082	3,778	4,135	3,798	6,022	3,713	3,713	3,713	3,713	3,713
Preventative Maintenance	231,892	138,576	58,251	45,404	52,081	17,947	24,562	15,651	11,365	23,088
Corrective Maintenance	120,495	58,548	6,646	4,630	27,796	17,612	18,491	17,124	57,837	19,461
Revenue Offsets	-74,262	-77,414	-78,037	-75,080	-75,530	-478	-478	-478	-478	-478
Indirects & Overheads	938,404	767,625	291,497	406,755	480,412	152,326	139,419	138,088	158,978	129,684
<b>Total Operating Costs</b>	<b>1,538,545</b>	<b>1,242,032</b>	<b>687,213</b>	<b>803,993</b>	<b>953,201</b>	<b>327,063</b>	<b>314,660</b>	<b>296,947</b>	<b>348,491</b>	<b>309,222</b>
R & E (Direct)	63,437	22,454	48,772	19,269	93,963	131,830	235,716	62,561	46,907	323,511
R & E (Non-Direct)	16,611	12,126	40,950	19,781	69,797	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>80,048</b>	<b>34,580</b>	<b>89,721</b>	<b>39,050</b>	<b>163,760</b>	<b>131,830</b>	<b>235,716</b>	<b>62,561</b>	<b>46,907</b>	<b>323,511</b>
<b>Total Expenditure</b>	<b>1,618,593</b>	<b>1,276,613</b>	<b>776,934</b>	<b>843,042</b>	<b>1,116,961</b>	<b>458,893</b>	<b>550,375</b>	<b>359,508</b>	<b>395,398</b>	<b>632,733</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	182,992	221,966	281,873	301,410	328,666	135%	172%	229%	257%	246%
Electricity	-632	65	422	85	2,309	-17%	2%	11%	2%	62%
Preventative Maintenance	213,945	114,013	42,600	34,039	28,993	1192%	464%	272%	300%	126%
Corrective Maintenance	102,883	40,057	-10,478	-53,207	8,335	584%	217%	-61%	-92%	43%
Revenue Offsets	-73,784	-76,936	-77,559	-74,602	-75,052	15436%	16095%	16225%	15607%	15701%
Indirects & Overheads	786,078	628,207	153,408	247,777	350,727	516%	451%	111%	156%	270%
<b>Total Operating Costs</b>	<b>1,211,482</b>	<b>927,373</b>	<b>390,266</b>	<b>455,502</b>	<b>643,979</b>	<b>370%</b>	<b>295%</b>	<b>131%</b>	<b>131%</b>	<b>208%</b>
R & E (Direct)	-68,393	-213,261	-13,789	-27,639	-229,548	-52%	-90%	-22%	-59%	-71%
R & E (Non-Direct)	16,611	12,126	40,950	19,781	69,797	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-51,782</b>	<b>-201,135</b>	<b>27,161</b>	<b>-7,857</b>	<b>-159,751</b>	<b>-39%</b>	<b>-85%</b>	<b>43%</b>	<b>-17%</b>	<b>-49%</b>
<b>Total Expenditure</b>	<b>1,159,699</b>	<b>726,237</b>	<b>417,427</b>	<b>447,644</b>	<b>484,228</b>	<b>253%</b>	<b>132%</b>	<b>116%</b>	<b>113%</b>	<b>77%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	318,934	350,919	404,721	418,486	462,420	135,943	128,952	122,848	117,076	133,754
Preventative Maintenance	231,892	138,576	58,251	45,404	52,081	17,947	24,562	15,651	11,365	23,088
Corrective Maintenance	120,495	58,548	6,646	4,630	27,796	17,612	18,491	17,124	57,837	19,461
Indirects & Overheads	938,404	767,625	291,497	406,755	480,412	152,326	139,419	138,088	158,978	129,684
<b>Total Controllable Operating Costs</b>	<b>1,609,725</b>	<b>1,315,668</b>	<b>761,114</b>	<b>875,275</b>	<b>1,022,708</b>	<b>323,828</b>	<b>311,424</b>	<b>293,711</b>	<b>345,255</b>	<b>305,987</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	182,992	221,966	281,873	301,410	328,666	135%	172%	229%	257%	246%
Preventative Maintenance	213,945	114,013	42,600	34,039	28,993	1192%	464%	272%	300%	126%
Corrective Maintenance	102,883	40,057	-10,478	-53,207	8,335	584%	217%	-61%	-92%	43%
Indirects & Overheads	786,078	628,207	153,408	247,777	350,727	516%	451%	111%	156%	270%
<b>Total Controllable Operating Costs</b>	<b>1,285,897</b>	<b>1,004,244</b>	<b>467,403</b>	<b>530,020</b>	<b>716,722</b>	<b>397%</b>	<b>322%</b>	<b>159%</b>	<b>154%</b>	<b>234%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	133,754	403,376	370,288	369,351	370,059	370,962	371,471
Preventative Maintenance	23,088	91,998	90,463	90,734	90,769	90,118	89,981
Corrective Maintenance	19,461	11,626	11,249	11,456	11,172	11,444	11,548
Revenue Offsets	-478	-78,000	-78,000	-78,000	-78,000	-78,000	-78,000
Indirects & Overheads	129,684	496,000	535,000	557,458	542,000	518,477	510,000
<b>Total</b>	<b>305,509</b>	<b>925,000</b>	<b>929,000</b>	<b>951,000</b>	<b>936,000</b>	<b>913,000</b>	<b>905,000</b>
\$ Variance to 2011 Forecast		619,491	623,491	645,491	630,491	607,491	599,491
% Variance to 2011 Forecast		202.8%	204.1%	211.3%	206.4%	198.8%	196.2%

## Nogoa Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	746,494	542,709	905,451	1,537,313	1,733,795	429,658	410,459	387,857	389,243	375,988
Electricity	7,047	11,502	7,769	10,604	10,254	18,567	18,567	18,567	18,567	18,567
Preventative Maintenance	138,835	35,326	55,700	69,079	84,930	24,047	39,313	40,191	52,349	39,556
Corrective Maintenance	110,514	143,624	171,658	129,582	253,469	5,638	11,305	10,954	12,028	13,773
Revenue Offsets	-20,567	-113,710	-189,574	-160,973	-130,624	-48,923	-48,923	-48,923	-48,923	-48,923
Indirects & Overheads	1,063,152	814,224	1,427,167	1,185,851	1,291,891	427,714	371,850	366,371	359,135	376,280
<b>Total Operating Costs</b>	<b>2,045,475</b>	<b>1,433,675</b>	<b>2,378,170</b>	<b>2,771,457</b>	<b>3,243,714</b>	<b>856,700</b>	<b>802,571</b>	<b>775,017</b>	<b>782,400</b>	<b>775,242</b>
R & E (Direct)	931,548	637,928	343,250	613,206	361,209	80,672	353,412	335,529	501,454	146,384
R & E (Non-Direct)	248,985	266,689	129,350	333,921	99,255	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,180,533</b>	<b>904,617</b>	<b>472,600</b>	<b>947,127</b>	<b>460,464</b>	<b>80,672</b>	<b>353,412</b>	<b>335,529</b>	<b>501,454</b>	<b>146,384</b>
<b>Total Expenditure</b>	<b>3,226,008</b>	<b>2,338,293</b>	<b>2,850,770</b>	<b>3,718,584</b>	<b>3,704,178</b>	<b>937,373</b>	<b>1,155,983</b>	<b>1,110,547</b>	<b>1,283,854</b>	<b>921,626</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	316,836	132,249	517,594	1,148,070	1,357,807	74%	32%	133%	295%	361%
Electricity	-11,520	-7,065	-10,798	-7,963	-8,314	-62%	-38%	-58%	-43%	-45%
Preventative Maintenance	114,787	-3,987	15,509	16,731	45,374	477%	-10%	39%	32%	115%
Corrective Maintenance	104,877	132,319	160,703	117,554	239,695	1860%	1170%	1467%	977%	1740%
Revenue Offsets	28,355	-64,787	-140,652	-112,050	-81,701	-58%	132%	287%	229%	167%
Indirects & Overheads	635,438	442,374	1,060,796	826,716	915,611	149%	119%	290%	230%	243%
<b>Total Operating Costs</b>	<b>1,188,774</b>	<b>631,104</b>	<b>1,603,152</b>	<b>1,989,057</b>	<b>2,468,472</b>	<b>139%</b>	<b>79%</b>	<b>207%</b>	<b>254%</b>	<b>318%</b>
R & E (Direct)	850,876	284,516	7,721	111,752	214,825	1055%	81%	2%	22%	147%
R & E (Non-Direct)	248,985	266,689	129,350	333,921	99,255	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,099,861</b>	<b>551,206</b>	<b>137,071</b>	<b>445,673</b>	<b>314,080</b>	<b>1363%</b>	<b>156%</b>	<b>41%</b>	<b>89%</b>	<b>215%</b>
<b>Total Expenditure</b>	<b>2,288,635</b>	<b>1,182,310</b>	<b>1,740,223</b>	<b>2,434,730</b>	<b>2,782,552</b>	<b>244%</b>	<b>102%</b>	<b>157%</b>	<b>190%</b>	<b>302%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	746,494	542,709	905,451	1,537,313	1,733,795	429,658	410,459	387,857	389,243	375,988
Preventative Maintenance	138,835	35,326	55,700	69,079	84,930	24,047	39,313	40,191	52,349	39,556
Corrective Maintenance	110,514	143,624	171,658	129,582	253,469	5,638	11,305	10,954	12,028	13,773
Indirects & Overheads	1,063,152	814,224	1,427,167	1,185,851	1,291,891	427,714	371,850	366,371	359,135	376,280
<b>Total Controllable Operating Costs</b>	<b>2,058,995</b>	<b>1,535,883</b>	<b>2,559,975</b>	<b>2,921,826</b>	<b>3,364,084</b>	<b>887,056</b>	<b>832,927</b>	<b>805,373</b>	<b>812,755</b>	<b>805,598</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	316,836	132,249	517,594	1,148,070	1,357,807	74%	32%	133%	295%	361%
Preventative Maintenance	114,787	-3,987	15,509	16,731	45,374	477%	-10%	39%	32%	115%
Corrective Maintenance	104,877	132,319	160,703	117,554	239,695	1860%	1170%	1467%	977%	1740%
Indirects & Overheads	635,438	442,374	1,060,796	826,716	915,611	149%	119%	290%	230%	243%
<b>Total Controllable Operating Costs</b>	<b>1,171,939</b>	<b>702,956</b>	<b>1,754,602</b>	<b>2,109,070</b>	<b>2,558,487</b>	<b>132%</b>	<b>84%</b>	<b>218%</b>	<b>259%</b>	<b>318%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	375,988	795,384	807,288	808,540	810,936	812,258	812,618
Preventative Maintenance	39,556	113,561	115,453	115,938	115,848	115,650	115,828
Corrective Maintenance	13,773	85,515	86,258	86,521	87,216	87,641	88,011
Revenue Offsets	-48,923	-54,000	-54,000	-54,000	-54,000	-54,000	-54,000
Indirects & Overheads	376,280	1,168,540	1,272,000	1,326,000	1,288,000	1,232,452	1,212,544
<b>Total</b>	<b>756,675</b>	<b>2,109,000</b>	<b>2,227,000</b>	<b>2,283,000</b>	<b>2,248,000</b>	<b>2,194,000</b>	<b>2,175,000</b>
\$ Variance to 2011 Forecast		1,352,325	1,470,325	1,526,325	1,491,325	1,437,325	1,418,325
% Variance to 2011 Forecast		178.7%	194.3%	201.7%	197.1%	190.0%	187.4%

## Pioneer Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	211,675	231,580	262,049	276,255	271,191	404,815	455,853	378,566	374,698	384,168
Electricity	2,885	4,029	1,586	2,967	2,384	2,476	2,476	2,476	2,476	2,476
Preventative Maintenance	56,256	40,367	47,158	34,865	44,486	46,608	16,868	40,284	33,926	42,946
Corrective Maintenance	118,627	225,580	206,579	74,744	202,062	92,386	153,486	120,049	150,699	93,588
Revenue Offsets	-8,697	-8,827	-8,993	-10,053	-8,141	-1,699	-1,699	-1,699	-1,699	-1,699
Indirects & Overheads	440,053	415,875	404,884	340,081	505,536	418,562	533,750	399,246	408,308	365,786
<b>Total Operating Costs</b>	<b>820,799</b>	<b>908,603</b>	<b>913,264</b>	<b>718,859</b>	<b>1,017,518</b>	<b>963,147</b>	<b>1,160,733</b>	<b>938,921</b>	<b>968,406</b>	<b>887,263</b>
R & E (Direct)	115,751	543,050	512,598	1,456,818	505,805	245,884	137,189	94,961	55,925	153,703
R & E (Non-Direct)	82,861	157,899	341,879	774,970	283,550	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>198,613</b>	<b>700,949</b>	<b>854,476</b>	<b>2,231,788</b>	<b>789,355</b>	<b>245,884</b>	<b>137,189</b>	<b>94,961</b>	<b>55,925</b>	<b>153,703</b>
<b>Total Expenditure</b>	<b>1,019,412</b>	<b>1,609,552</b>	<b>1,767,740</b>	<b>2,950,647</b>	<b>1,806,873</b>	<b>1,209,031</b>	<b>1,297,922</b>	<b>1,033,883</b>	<b>1,024,331</b>	<b>1,040,967</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-193,140	-224,274	-116,517	-98,442	-112,977	-48%	-49%	-31%	-26%	-29%
Electricity	410	1,554	-889	491	-91	17%	63%	-36%	20%	-4%
Preventative Maintenance	9,648	23,499	6,874	940	1,540	21%	139%	17%	3%	4%
Corrective Maintenance	26,240	72,094	86,530	-75,955	108,475	28%	47%	72%	-50%	116%
Revenue Offsets	-6,998	-7,128	-7,294	-8,354	-6,441	412%	419%	429%	492%	379%
Indirects & Overheads	21,491	-117,875	5,638	-68,227	139,750	5%	-22%	1%	-17%	38%
<b>Total Operating Costs</b>	<b>-142,348</b>	<b>-252,130</b>	<b>-25,658</b>	<b>-249,547</b>	<b>130,255</b>	<b>-15%</b>	<b>-22%</b>	<b>-3%</b>	<b>-26%</b>	<b>15%</b>
R & E (Direct)	-130,133	405,861	417,637	1,400,893	352,102	-53%	296%	440%	2505%	229%
R & E (Non-Direct)	82,861	157,899	341,879	774,970	283,550	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-47,272</b>	<b>563,760</b>	<b>759,515</b>	<b>2,175,863</b>	<b>635,652</b>	<b>-19%</b>	<b>411%</b>	<b>800%</b>	<b>3891%</b>	<b>414%</b>
<b>Total Expenditure</b>	<b>-189,620</b>	<b>311,630</b>	<b>733,858</b>	<b>1,926,316</b>	<b>765,907</b>	<b>-16%</b>	<b>24%</b>	<b>71%</b>	<b>188%</b>	<b>74%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	211,675	231,580	262,049	276,255	271,191	404,815	455,853	378,566	374,698	384,168
Preventative Maintenance	56,256	40,367	47,158	34,865	44,486	46,608	16,868	40,284	33,926	42,946
Corrective Maintenance	118,627	225,580	206,579	74,744	202,062	92,386	153,486	120,049	150,699	93,588
Indirects & Overheads	440,053	415,875	404,884	340,081	505,536	418,562	533,750	399,246	408,308	365,786
<b>Total Controllable Operating Costs</b>	<b>826,611</b>	<b>913,401</b>	<b>920,670</b>	<b>725,945</b>	<b>1,023,274</b>	<b>962,371</b>	<b>1,159,957</b>	<b>938,145</b>	<b>967,630</b>	<b>886,487</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-193,140	-224,274	-116,517	-98,442	-112,977	-48%	-49%	-31%	-26%	-29%
Preventative Maintenance	9,648	23,499	6,874	940	1,540	21%	139%	17%	3%	4%
Corrective Maintenance	26,240	72,094	86,530	-75,955	108,475	28%	47%	72%	-50%	116%
Indirects & Overheads	21,491	-117,875	5,638	-68,227	139,750	5%	-22%	1%	-17%	38%
<b>Total Controllable Operating Costs</b>	<b>-135,760</b>	<b>-246,556</b>	<b>-17,475</b>	<b>-241,685</b>	<b>136,787</b>	<b>-14%</b>	<b>-21%</b>	<b>-2%</b>	<b>-25%</b>	<b>15%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	384,168	240,023	242,455	243,041	243,365	243,702	243,890
Preventative Maintenance	42,946	108,381	110,250	111,452	111,225	111,128	110,635
Corrective Maintenance	93,588	87,101	87,818	88,038	88,885	90,170	90,475
Revenue Offsets	-1,699	-10,000	-10,000	-10,000	-10,000	-10,000	-10,000
Indirects & Overheads	365,786	444,495	482,477	502,468	489,525	468,000	460,000
<b>Total</b>	<b>884,788</b>	<b>870,000</b>	<b>913,000</b>	<b>935,000</b>	<b>923,000</b>	<b>903,000</b>	<b>895,000</b>
\$ Variance to 2011 Forecast		-14,788	28,212	50,212	38,212	18,212	10,212
% Variance to 2011 Forecast		-1.7%	3.2%	5.7%	4.3%	2.1%	1.2%

## Proserpine Water Supply

### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	217,735	260,673	359,960	385,317	408,280	371,908	383,257	357,605	358,678	357,793
Electricity	3,141	3,028	3,388	3,786	4,854	6,808	6,808	6,808	6,808	6,808
Preventative Maintenance	107,689	-37,040	34,796	30,327	38,771	216,464	203,831	193,210	179,401	189,589
Corrective Maintenance	27,652	45,902	38,229	35,526	55,316	6,970	3,795	-1,092	-959	-724
Revenue Offsets	-169,826	-169,910	-172,904	-170,125	-170,097	-170,840	-170,840	-170,840	-170,840	-170,840
Indirects & Overheads	469,442	299,716	355,932	278,933	388,432	572,420	582,571	551,932	540,040	539,377
<b>Total Operating Costs</b>	<b>655,834</b>	<b>402,369</b>	<b>619,401</b>	<b>563,763</b>	<b>725,555</b>	<b>1,003,729</b>	<b>1,009,422</b>	<b>937,623</b>	<b>913,127</b>	<b>922,003</b>
R & E (Direct)	57,601	45,701	77,051	9,632	40,080	59,032	46,144	27,241	55,322	80,425
R & E (Non-Direct)	22,480	42,349	26,835	8,179	22,702	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>80,081</b>	<b>88,051</b>	<b>103,886</b>	<b>17,811</b>	<b>62,782</b>	<b>59,032</b>	<b>46,144</b>	<b>27,241</b>	<b>55,322</b>	<b>80,425</b>
<b>Total Expenditure</b>	<b>735,915</b>	<b>490,420</b>	<b>723,287</b>	<b>581,575</b>	<b>788,337</b>	<b>1,062,761</b>	<b>1,055,565</b>	<b>964,864</b>	<b>968,449</b>	<b>1,002,428</b>

### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-154,173	-122,584	2,355	26,639	50,486	-41%	-32%	1%	7%	14%
Electricity	-3,667	-3,780	-3,420	-3,022	-1,954	-54%	-56%	-50%	-44%	-29%
Preventative Maintenance	-108,775	-240,871	-158,414	-149,074	-150,818	-50%	-118%	-82%	-83%	-80%
Corrective Maintenance	20,683	42,107	39,320	36,484	56,040	297%	1109%	-3601%	-3806%	-7742%
Revenue Offsets	1,015	930	-2,064	715	743	-1%	-1%	1%	0%	0%
Indirects & Overheads	-102,978	-282,855	-195,999	-261,107	-150,945	-18%	-49%	-36%	-48%	-28%
<b>Total Operating Costs</b>	<b>-347,895</b>	<b>-607,052</b>	<b>-318,222</b>	<b>-349,364</b>	<b>-196,448</b>	<b>-35%</b>	<b>-60%</b>	<b>-34%</b>	<b>-38%</b>	<b>-21%</b>
R & E (Direct)	-1,431	-442	49,810	-45,690	-40,346	-2%	-1%	183%	-83%	-50%
R & E (Non-Direct)	22,480	42,349	26,835	8,179	22,702	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>21,048</b>	<b>41,907</b>	<b>76,645</b>	<b>-37,511</b>	<b>-17,644</b>	<b>36%</b>	<b>91%</b>	<b>281%</b>	<b>-68%</b>	<b>-22%</b>
<b>Total Expenditure</b>	<b>-326,846</b>	<b>-565,145</b>	<b>-241,577</b>	<b>-386,875</b>	<b>-214,091</b>	<b>-31%</b>	<b>-54%</b>	<b>-25%</b>	<b>-40%</b>	<b>-21%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	217,735	260,673	359,960	385,317	408,280	371,908	383,257	357,605	358,678	357,793
Preventative Maintenance	107,689	-37,040	34,796	30,327	38,771	216,464	203,831	193,210	179,401	189,589
Corrective Maintenance	27,652	45,902	38,229	35,526	55,316	6,970	3,795	-1,092	-959	-724
Indirects & Overheads	469,442	299,716	355,932	278,933	388,432	572,420	582,571	551,932	540,040	539,377
<b>Total Controllable Operating Costs</b>	<b>822,519</b>	<b>569,252</b>	<b>788,917</b>	<b>730,103</b>	<b>890,799</b>	<b>1,167,762</b>	<b>1,173,454</b>	<b>1,101,656</b>	<b>1,077,160</b>	<b>1,086,035</b>

### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-154,173	-122,584	2,355	26,639	50,486	-41%	-32%	1%	7%	14%
Preventative Maintenance	-108,775	-240,871	-158,414	-149,074	-150,818	-50%	-118%	-82%	-83%	-80%
Corrective Maintenance	20,683	42,107	39,320	36,484	56,040	297%	1109%	-3601%	-3806%	-7742%
Indirects & Overheads	-102,978	-282,855	-195,999	-261,107	-150,945	-18%	-49%	-36%	-48%	-28%
<b>Total Controllable Operating Costs</b>	<b>-345,243</b>	<b>-604,202</b>	<b>-312,738</b>	<b>-347,057</b>	<b>-195,237</b>	<b>-30%</b>	<b>-51%</b>	<b>-28%</b>	<b>-32%</b>	<b>-18%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	357,793	351,340	355,022	356,205	358,014	358,940	358,699
Preventative Maintenance	189,589	78,140	79,206	80,077	80,806	81,291	81,313
Corrective Maintenance	-724	28,941	28,649	28,717	29,741	30,341	29,988
Revenue Offsets	-170,840	-169,000	-169,000	-169,000	-169,000	-169,000	-169,000
Indirects & Overheads	539,377	333,579	361,123	377,000	366,439	351,428	345,000
<b>Total</b>	<b>915,195</b>	<b>623,000</b>	<b>655,000</b>	<b>673,000</b>	<b>666,000</b>	<b>653,000</b>	<b>646,000</b>
\$ Variance to 2011 Forecast		-292,195	-260,195	-242,195	-249,195	-262,195	-269,195
% Variance to 2011 Forecast		-31.9%	-28.4%	-26.5%	-27.2%	-28.6%	-29.4%

## St George Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	651,519	262,119	148,084	499,245	485,510	307,170	234,661	218,016	204,947	212,225
Electricity	3,618	4,390	4,194	6,327	12,524	8,293	8,293	8,293	8,293	8,293
Preventative Maintenance	73,370	49,481	50,095	47,253	56,123	29,420	22,109	14,298	14,986	16,502
Corrective Maintenance	61,812	73,112	7,060	90,939	279,191	4,238	8,100	5,349	5,599	6,038
Revenue Offsets	-19,352	-38,714	-10,899	-25,693	-22,440	-2,654	-2,654	-2,654	-2,654	-2,654
Indirects & Overheads	780,509	809,170	283,354	820,165	1,254,942	238,297	166,873	162,381	147,641	153,423
<b>Total Operating Costs</b>	<b>1,551,474</b>	<b>1,159,558</b>	<b>481,888</b>	<b>1,438,236</b>	<b>2,065,852</b>	<b>584,765</b>	<b>437,382</b>	<b>405,683</b>	<b>378,812</b>	<b>393,827</b>
R & E (Direct)	449,949	192,447	123,733	292,477	266,888	364,682	498,608	175,151	155,347	224,804
R & E (Non-Direct)	247,033	89,007	35,583	126,030	163,535	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>696,982</b>	<b>281,454</b>	<b>159,316</b>	<b>418,507</b>	<b>430,423</b>	<b>364,682</b>	<b>498,608</b>	<b>175,151</b>	<b>155,347</b>	<b>224,804</b>
<b>Total Expenditure</b>	<b>2,248,457</b>	<b>1,441,012</b>	<b>641,204</b>	<b>1,856,743</b>	<b>2,496,274</b>	<b>949,447</b>	<b>935,990</b>	<b>580,833</b>	<b>534,160</b>	<b>618,631</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	344,348	27,458	-69,932	294,298	273,285	112%	12%	-32%	144%	129%
Electricity	-4,676	-3,903	-4,100	-1,966	4,231	-56%	-47%	-49%	-24%	51%
Preventative Maintenance	43,950	27,372	35,797	32,267	39,622	149%	124%	250%	215%	240%
Corrective Maintenance	57,574	65,012	1,711	85,340	273,154	1359%	803%	32%	1524%	4524%
Revenue Offsets	-16,698	-36,060	-8,244	-23,039	-19,785	629%	1359%	311%	868%	745%
Indirects & Overheads	542,211	642,298	120,973	672,524	1,101,519	228%	385%	74%	456%	718%
<b>Total Operating Costs</b>	<b>966,710</b>	<b>722,176</b>	<b>76,205</b>	<b>1,059,424</b>	<b>1,672,024</b>	<b>165%</b>	<b>165%</b>	<b>19%</b>	<b>280%</b>	<b>425%</b>
R & E (Direct)	85,267	-306,161	-51,417	137,130	42,084	23%	-61%	-29%	88%	19%
R & E (Non-Direct)	247,033	89,007	35,583	126,030	163,535	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>332,300</b>	<b>-217,154</b>	<b>-15,835</b>	<b>263,160</b>	<b>205,619</b>	<b>91%</b>	<b>-44%</b>	<b>-9%</b>	<b>169%</b>	<b>91%</b>
<b>Total Expenditure</b>	<b>1,299,010</b>	<b>505,022</b>	<b>60,370</b>	<b>1,322,583</b>	<b>1,877,643</b>	<b>137%</b>	<b>54%</b>	<b>10%</b>	<b>248%</b>	<b>304%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	651,519	262,119	148,084	499,245	485,510	307,170	234,661	218,016	204,947	212,225
Preventative Maintenance	73,370	49,481	50,095	47,253	56,123	29,420	22,109	14,298	14,986	16,502
Corrective Maintenance	61,812	73,112	7,060	90,939	279,191	4,238	8,100	5,349	5,599	6,038
Indirects & Overheads	780,509	809,170	283,354	820,165	1,254,942	238,297	166,873	162,381	147,641	153,423
<b>Total Controllable Operating Costs</b>	<b>1,567,209</b>	<b>1,193,883</b>	<b>488,593</b>	<b>1,457,602</b>	<b>2,075,767</b>	<b>579,126</b>	<b>431,743</b>	<b>400,044</b>	<b>373,173</b>	<b>388,188</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	344,348	27,458	-69,932	294,298	273,285	112%	12%	-32%	144%	129%
Preventative Maintenance	43,950	27,372	35,797	32,267	39,622	149%	124%	250%	215%	240%
Corrective Maintenance	57,574	65,012	1,711	85,340	273,154	1359%	803%	32%	1524%	4524%
Indirects & Overheads	542,211	642,298	120,973	672,524	1,101,519	228%	385%	74%	456%	718%
<b>Total Controllable Operating Costs</b>	<b>988,083</b>	<b>762,139</b>	<b>88,549</b>	<b>1,084,429</b>	<b>1,687,579</b>	<b>171%</b>	<b>177%</b>	<b>22%</b>	<b>291%</b>	<b>435%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	212,225	273,318	276,058	276,320	277,892	279,609	279,942
Preventative Maintenance	16,502	95,821	97,743	98,563	98,621	98,156	98,161
Corrective Maintenance	6,038	59,318	60,319	60,687	60,926	60,785	60,442
Revenue Offsets	-2,654	-12,000	-12,000	-12,000	-12,000	-12,000	-12,000
Indirects & Overheads	153,423	510,544	551,881	576,430	560,562	535,450	526,454
<b>Total</b>	<b>385,534</b>	<b>927,000</b>	<b>974,000</b>	<b>1,000,000</b>	<b>986,000</b>	<b>962,000</b>	<b>953,000</b>
\$ Variance to 2011 Forecast		541,466	588,466	614,466	600,466	576,466	567,466
% Variance to 2011 Forecast		140.4%	152.6%	159.4%	155.7%	149.5%	147.2%

### Three Moon Water Supply

#### 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	91,252	87,752	158,836	193,415	152,044	307,845	274,689	241,374	240,910	239,571
Electricity	5,563	6,287	6,670	8,230	5,610	2,476	2,476	2,476	2,476	2,476
Preventative Maintenance	39,097	10,400	17,024	14,354	9,772	-6,504	-6,837	16,110	-313	2,735
Corrective Maintenance	4,889	8,067	-1,924	4,473	2,443	5,451	29,441	8,148	8,971	9,070
Revenue Offsets	-4,354	-4,279	-2,502	-2,719	-2,048	-4,673	-4,673	-4,673	-4,673	-4,673
Indirects & Overheads	326,361	137,741	172,478	200,414	237,319	371,989	365,940	306,507	274,283	287,588
<b>Total Operating Costs</b>	<b>462,809</b>	<b>245,969</b>	<b>350,583</b>	<b>418,166</b>	<b>405,140</b>	<b>676,585</b>	<b>661,035</b>	<b>569,941</b>	<b>521,652</b>	<b>536,767</b>
R & E (Direct)	-1,714	41,097	36,591	13,442	2,906	49,729	52,407	51,124	62,139	115,016
R & E (Non-Direct)	2,989	10,083	23,226	17,757	6,247	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>1,276</b>	<b>51,180</b>	<b>59,817</b>	<b>31,199</b>	<b>9,153</b>	<b>49,729</b>	<b>52,407</b>	<b>51,124</b>	<b>62,139</b>	<b>115,016</b>
<b>Total Expenditure</b>	<b>464,084</b>	<b>297,149</b>	<b>410,400</b>	<b>449,365</b>	<b>414,293</b>	<b>726,315</b>	<b>713,443</b>	<b>621,065</b>	<b>583,791</b>	<b>651,783</b>

#### 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-216,594	-186,937	-82,538	-47,495	-87,526	-70%	-68%	-34%	-20%	-37%
Electricity	3,088	3,812	4,195	5,754	3,134	125%	154%	169%	232%	127%
Preventative Maintenance	45,600	17,237	915	14,667	7,037	-701%	-252%	6%	-4680%	257%
Corrective Maintenance	-562	-21,374	-10,072	-4,497	-6,627	-10%	-73%	-124%	-50%	-73%
Revenue Offsets	319	394	2,171	1,954	2,626	-7%	-8%	-46%	-42%	-56%
Indirects & Overheads	-45,629	-228,199	-134,028	-73,869	-50,269	-12%	-62%	-44%	-27%	-17%
<b>Total Operating Costs</b>	<b>-213,777</b>	<b>-415,067</b>	<b>-219,359</b>	<b>-103,486</b>	<b>-131,626</b>	<b>-32%</b>	<b>-63%</b>	<b>-38%</b>	<b>-20%</b>	<b>-25%</b>
R & E (Direct)	-51,443	-11,310	-14,532	-48,697	-112,110	-103%	-22%	-28%	-78%	-97%
R & E (Non-Direct)	2,989	10,083	23,226	17,757	6,247	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-48,454</b>	<b>-1,227</b>	<b>8,694</b>	<b>-30,940</b>	<b>-105,863</b>	<b>-97%</b>	<b>-2%</b>	<b>17%</b>	<b>-50%</b>	<b>-92%</b>
<b>Total Expenditure</b>	<b>-262,231</b>	<b>-416,294</b>	<b>-210,665</b>	<b>-134,426</b>	<b>-237,489</b>	<b>-36%</b>	<b>-58%</b>	<b>-34%</b>	<b>-23%</b>	<b>-36%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

#### 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	91,252	87,752	158,836	193,415	152,044	307,845	274,689	241,374	240,910	239,571
Preventative Maintenance	39,097	10,400	17,024	14,354	9,772	-6,504	-6,837	16,110	-313	2,735
Corrective Maintenance	4,889	8,067	-1,924	4,473	2,443	5,451	29,441	8,148	8,971	9,070
Indirects & Overheads	326,361	137,741	172,478	200,414	237,319	371,989	365,940	306,507	274,283	287,588
<b>Total Controllable Operating Costs</b>	<b>461,599</b>	<b>243,960</b>	<b>346,415</b>	<b>412,655</b>	<b>401,578</b>	<b>678,783</b>	<b>663,233</b>	<b>572,139</b>	<b>523,850</b>	<b>538,964</b>

#### 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity & Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-216,594	-186,937	-82,538	-47,495	-87,526	-70%	-68%	-34%	-20%	-37%
Preventative Maintenance	45,600	17,237	915	14,667	7,037	-701%	-252%	6%	-4680%	257%
Corrective Maintenance	-562	-21,374	-10,072	-4,497	-6,627	-10%	-73%	-124%	-50%	-73%
Indirects & Overheads	-45,629	-228,199	-134,028	-73,869	-50,269	-12%	-62%	-44%	-27%	-17%
<b>Total Controllable Operating Costs</b>	<b>-217,184</b>	<b>-419,273</b>	<b>-225,724</b>	<b>-111,195</b>	<b>-137,386</b>	<b>-32%</b>	<b>-63%</b>	<b>-39%</b>	<b>-21%</b>	<b>-25%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

#### Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	239,571	102,667	103,916	103,540	103,743	103,670	104,025
Preventative Maintenance	2,735	38,733	39,759	39,823	39,970	39,450	39,474
Corrective Maintenance	9,070	6,067	5,873	6,195	6,287	5,963	6,037
Revenue Offsets	-4,673	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000
Indirects & Overheads	287,588	168,533	181,452	188,442	184,000	175,917	172,464
<b>Total</b>	<b>534,291</b>	<b>314,000</b>	<b>329,000</b>	<b>336,000</b>	<b>332,000</b>	<b>323,000</b>	<b>320,000</b>
\$ Variance to 2011 Forecast		-220,291	-205,291	-198,291	-202,291	-211,291	-214,291
% Variance to 2011 Forecast		-41.2%	-38.4%	-37.1%	-37.9%	-39.5%	-40.1%



## Upper Burnett Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	227,889	201,346	302,171	284,196	478,163	290,440	307,465	307,367	307,755	287,825
Electricity	2,627	4,545	5,698	6,223	7,656	124	124	124	124	124
Preventative Maintenance	53,449	28,015	26,565	24,649	31,197	33,105	27,412	28,184	21,587	39,633
Corrective Maintenance	8,956	15,343	11,296	23,971	401,873	67,876	68,033	52,600	51,770	48,369
Revenue Offsets	-1,935	-12,402	-19,560	-8,761	-4,460	-5,279	-5,279	-5,279	-5,279	-5,279
Indirects & Overheads	285,522	211,502	391,114	333,778	489,826	446,686	463,464	415,163	401,415	435,309
<b>Total Operating Costs</b>	<b>576,508</b>	<b>448,349</b>	<b>717,284</b>	<b>664,056</b>	<b>1,404,254</b>	<b>832,951</b>	<b>861,218</b>	<b>798,158</b>	<b>777,371</b>	<b>805,980</b>
R & E (Direct)	158,483	139,522	74,755	249,678	521,623	229,079	282,540	135,954	216,296	161,330
R & E (Non-Direct)	67,129	90,088	33,006	123,272	133,464	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>225,612</b>	<b>229,609</b>	<b>107,761</b>	<b>372,950</b>	<b>655,087</b>	<b>229,079</b>	<b>282,540</b>	<b>135,954</b>	<b>216,296</b>	<b>161,330</b>
<b>Total Expenditure</b>	<b>802,120</b>	<b>677,958</b>	<b>825,045</b>	<b>1,037,007</b>	<b>2,059,341</b>	<b>1,062,030</b>	<b>1,143,758</b>	<b>934,112</b>	<b>993,668</b>	<b>967,311</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-62,551	-106,118	-5,196	-23,559	190,339	-22%	-35%	-2%	-8%	66%
Electricity	2,503	4,421	5,574	6,099	7,532	2022%	3572%	4503%	4928%	6085%
Preventative Maintenance	20,345	603	-1,620	3,062	-8,435	61%	2%	-6%	14%	-21%
Corrective Maintenance	-58,920	-52,690	-41,304	-27,799	353,503	-87%	-77%	-79%	-54%	731%
Revenue Offsets	3,345	-7,122	-14,280	-3,481	819	-63%	135%	270%	66%	-16%
Indirects & Overheads	-161,164	-251,963	-24,048	-67,637	54,517	-36%	-54%	-6%	-17%	13%
<b>Total Operating Costs</b>	<b>-256,442</b>	<b>-412,869</b>	<b>-80,874</b>	<b>-113,315</b>	<b>598,274</b>	<b>-31%</b>	<b>-48%</b>	<b>-10%</b>	<b>-15%</b>	<b>74%</b>
R & E (Direct)	-70,596	-143,018	-61,199	33,382	360,292	-31%	-51%	-45%	15%	223%
R & E (Non-Direct)	67,129	90,088	33,006	123,272	133,464	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-3,467</b>	<b>-52,931</b>	<b>-28,193</b>	<b>156,654</b>	<b>493,757</b>	<b>-2%</b>	<b>-19%</b>	<b>-21%</b>	<b>72%</b>	<b>306%</b>
<b>Total Expenditure</b>	<b>-259,910</b>	<b>-465,800</b>	<b>-109,067</b>	<b>43,339</b>	<b>1,092,031</b>	<b>-24%</b>	<b>-41%</b>	<b>-12%</b>	<b>4%</b>	<b>113%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	227,889	201,346	302,171	284,196	478,163	290,440	307,465	307,367	307,755	287,825
Preventative Maintenance	53,449	28,015	26,565	24,649	31,197	33,105	27,412	28,184	21,587	39,633
Corrective Maintenance	8,956	15,343	11,296	23,971	401,873	67,876	68,033	52,600	51,770	48,369
Indirects & Overheads	285,522	211,502	391,114	333,778	489,826	446,686	463,464	415,163	401,415	435,309
<b>Total Controllable Operating Costs</b>	<b>575,816</b>	<b>456,206</b>	<b>731,146</b>	<b>666,594</b>	<b>1,401,059</b>	<b>838,107</b>	<b>866,374</b>	<b>803,314</b>	<b>782,527</b>	<b>811,136</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-62,551	-106,118	-5,196	-23,559	190,339	-22%	-35%	-2%	-8%	66%
Preventative Maintenance	20,345	603	-1,620	3,062	-8,435	61%	2%	-6%	14%	-21%
Corrective Maintenance	-58,920	-52,690	-41,304	-27,799	353,503	-87%	-77%	-79%	-54%	731%
Indirects & Overheads	-161,164	-251,963	-24,048	-67,637	54,517	-36%	-54%	-6%	-17%	13%
<b>Total Controllable Operating Costs</b>	<b>-262,290</b>	<b>-410,168</b>	<b>-72,168</b>	<b>-115,933</b>	<b>589,923</b>	<b>-31%</b>	<b>-47%</b>	<b>-9%</b>	<b>-15%</b>	<b>73%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	287,825	238,820	240,527	240,708	240,624	241,839	241,860
Preventative Maintenance	39,633	61,224	62,159	62,275	62,169	62,529	62,326
Corrective Maintenance	48,369	14,955	15,314	15,458	15,207	15,632	15,349
Revenue Offsets	-5,279	-8,000	-8,000	-8,000	-8,000	-8,000	-8,000
Indirects & Overheads	435,309	359,000	388,000	402,558	393,000	376,000	367,465
<b>Total</b>	<b>805,856</b>	<b>666,000</b>	<b>698,000</b>	<b>713,000</b>	<b>703,000</b>	<b>688,000</b>	<b>679,000</b>
\$ Variance to 2011 Forecast		-139,856	-107,856	-92,856	-102,856	-117,856	-126,856
% Variance to 2011 Forecast		-17.4%	-13.4%	-11.5%	-12.8%	-14.6%	-15.7%

## Upper Condamine Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	293,550	325,293	330,249	323,249	330,049	769,568	694,455	644,009	678,603	642,475
Electricity	8,363	98,309	44,647	52,477	40,589	38,323	38,323	38,323	38,323	38,323
Preventative Maintenance	82,110	33,592	40,100	46,541	46,134	33,486	53,264	33,347	27,017	30,223
Corrective Maintenance	16,161	106,719	43,631	42,179	196,298	11,413	12,570	25,449	11,951	12,280
Revenue Offsets	-785	-5,441	-6,786	-7,598	-5,745	-8,072	-8,072	-8,072	-8,072	-8,072
Indirects & Overheads	592,507	627,503	512,717	385,039	636,336	406,842	351,898	305,549	306,767	287,998
<b>Total Operating Costs</b>	<b>991,906</b>	<b>1,185,976</b>	<b>964,558</b>	<b>841,888</b>	<b>1,243,662</b>	<b>1,251,560</b>	<b>1,142,439</b>	<b>1,038,605</b>	<b>1,054,589</b>	<b>1,003,227</b>
R & E (Direct)	407,942	366,858	93,310	171,845	385,803	461,380	312,992	263,853	247,520	127,349
R & E (Non-Direct)	103,006	96,590	55,279	93,418	117,027	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>510,948</b>	<b>463,449</b>	<b>148,590</b>	<b>265,264</b>	<b>502,830</b>	<b>461,380</b>	<b>312,992</b>	<b>263,853</b>	<b>247,520</b>	<b>127,349</b>
<b>Total Expenditure</b>	<b>1,502,854</b>	<b>1,649,425</b>	<b>1,113,147</b>	<b>1,107,152</b>	<b>1,746,492</b>	<b>1,712,941</b>	<b>1,455,430</b>	<b>1,302,459</b>	<b>1,302,109</b>	<b>1,130,576</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-476,018	-369,162	-313,761	-355,354	-312,426	-62%	-53%	-49%	-52%	-49%
Electricity	-29,960	59,987	6,324	14,155	2,267	-78%	157%	17%	37%	6%
Preventative Maintenance	48,624	-19,672	6,753	19,524	15,911	145%	-37%	20%	72%	53%
Corrective Maintenance	4,748	94,149	18,182	30,228	184,018	42%	749%	71%	253%	1498%
Revenue Offsets	7,287	2,631	1,286	474	2,327	-90%	-33%	-16%	-6%	-29%
Indirects & Overheads	185,665	275,604	207,167	78,273	348,339	46%	78%	68%	26%	121%
<b>Total Operating Costs</b>	<b>-259,654</b>	<b>43,537</b>	<b>-74,048</b>	<b>-212,701</b>	<b>240,436</b>	<b>-21%</b>	<b>4%</b>	<b>-7%</b>	<b>-20%</b>	<b>24%</b>
R & E (Direct)	-53,439	53,867	-170,543	-75,675	258,454	-12%	17%	-65%	-31%	203%
R & E (Non-Direct)	103,006	96,590	55,279	93,418	117,027	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>49,567</b>	<b>150,457</b>	<b>-115,264</b>	<b>17,743</b>	<b>375,480</b>	<b>11%</b>	<b>48%</b>	<b>-44%</b>	<b>7%</b>	<b>295%</b>
<b>Total Expenditure</b>	<b>-210,087</b>	<b>193,994</b>	<b>-189,312</b>	<b>-194,957</b>	<b>615,916</b>	<b>-12%</b>	<b>13%</b>	<b>-15%</b>	<b>-15%</b>	<b>54%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	293,550	325,293	330,249	323,249	330,049	769,568	694,455	644,009	678,603	642,475
Preventative Maintenance	82,110	33,592	40,100	46,541	46,134	33,486	53,264	33,347	27,017	30,223
Corrective Maintenance	16,161	106,719	43,631	42,179	196,298	11,413	12,570	25,449	11,951	12,280
Indirects & Overheads	592,507	627,503	512,717	385,039	636,336	406,842	351,898	305,549	306,767	287,998
<b>Total Controllable Operating Costs</b>	<b>984,328</b>	<b>1,093,108</b>	<b>926,697</b>	<b>797,009</b>	<b>1,208,818</b>	<b>1,221,309</b>	<b>1,112,188</b>	<b>1,008,355</b>	<b>1,024,338</b>	<b>972,976</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-476,018	-369,162	-313,761	-355,354	-312,426	-62%	-53%	-49%	-52%	-49%
Preventative Maintenance	48,624	-19,672	6,753	19,524	15,911	145%	-37%	20%	72%	53%
Corrective Maintenance	4,748	94,149	18,182	30,228	184,018	42%	749%	71%	253%	1498%
Indirects & Overheads	185,665	275,604	207,167	78,273	348,339	46%	78%	68%	26%	121%
<b>Total Controllable Operating Costs</b>	<b>-236,981</b>	<b>-19,080</b>	<b>-81,658</b>	<b>-227,329</b>	<b>235,842</b>	<b>-19%</b>	<b>-2%</b>	<b>-8%</b>	<b>-22%</b>	<b>24%</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	642,475	294,570	297,455	297,794	298,224	299,029	299,304
Preventative Maintenance	30,223	74,208	75,668	76,150	76,179	75,535	75,836
Corrective Maintenance	12,280	31,222	31,311	31,481	31,597	31,991	32,309
Revenue Offsets	-8,072	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000
Indirects & Overheads	287,998	484,000	525,565	547,575	532,000	508,444	500,551
<b>Total</b>	<b>964,904</b>	<b>878,000</b>	<b>924,000</b>	<b>947,000</b>	<b>932,000</b>	<b>909,000</b>	<b>902,000</b>
\$ Variance to 2011 Forecast		-86,904	-40,904	-17,904	-32,904	-55,904	-62,904
% Variance to 2011 Forecast		-9.0%	-4.2%	-1.9%	-3.4%	-5.8%	-6.5%

## SEQ - Cedar Pocket

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	22,603	12,729	28	0	0	20,177	6,297	0	0	0
Electricity	219	230	113	0	0	0	0	0	0	0
Preventative Maintenance	1,628	1,341	0	0	0	7,842	7,010	0	0	0
Corrective Maintenance	621	483	0	0	0	1,086	749	0	0	0
Revenue Offsets	-74	-537	0	0	0	0	0	0	0	0
Indirects & Overheads	34,675	29,602	1	0	0	22,257	11,264	0	0	0
<b>Total Operating Costs</b>	<b>59,671</b>	<b>43,849</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>51,362</b>	<b>25,320</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	0	243	0	0	0	66,306	5,314	0	0	0
R & E (Non-Direct)	0	272	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>0</b>	<b>515</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>66,306</b>	<b>5,314</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>59,671</b>	<b>44,363</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>117,668</b>	<b>30,634</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	2,426	6,432	28	0	0	12%	102%	n/a	n/a	n/a
Electricity	219	230	113	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	-6,214	-5,669	0	0	0	-79%	-81%	n/a	n/a	n/a
Corrective Maintenance	-465	-265	0	0	0	-43%	-35%	n/a	n/a	n/a
Revenue Offsets	-74	-537	0	0	0	n/a	n/a	n/a	n/a	n/a
Indirects & Overheads	12,418	18,338	1	0	0	56%	163%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>8,309</b>	<b>18,528</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>16%</b>	<b>73%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	-66,306	-5,071	0	0	0	-100%	-95%	n/a	n/a	n/a
R & E (Non-Direct)	0	272	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-66,306</b>	<b>-4,799</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-100%</b>	<b>-90%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-57,997</b>	<b>13,730</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>-49%</b>	<b>45%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	22,603	12,729	28	0	0	20,177	6,297	0	0	0
Preventative Maintenance	1,628	1,341	0	0	0	7,842	7,010	0	0	0
Corrective Maintenance	621	483	0	0	0	1,086	749	0	0	0
Indirects & Overheads	34,675	29,602	1	0	0	22,257	11,264	0	0	0
<b>Total Controllable Operating Costs</b>	<b>59,526</b>	<b>44,155</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>51,362</b>	<b>25,320</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	2,426	6,432	28	0	0	12%	102%	n/a	n/a	n/a
Preventative Maintenance	-6,214	-5,669	0	0	0	-79%	-81%	n/a	n/a	n/a
Corrective Maintenance	-465	-265	0	0	0	-43%	-35%	n/a	n/a	n/a
Indirects & Overheads	12,418	18,338	1	0	0	56%	163%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>8,165</b>	<b>18,835</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>16%</b>	<b>74%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## SEQ - Central Lockyer

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	191,178	186,537	3,094	0	0	530,620	534,830	0	0	0
Electricity	1,005	897	268	0	0	45,044	45,044	0	0	0
Preventative Maintenance	94,177	41,648	7	0	0	53,268	53,754	0	0	0
Corrective Maintenance	7,522	3,530	0	0	0	44,663	21,686	0	0	0
Revenue Offsets	241	-19,272	0	0	0	-850	-850	0	0	0
Indirects & Overheads	446,804	252,024	2,099	0	0	327,419	289,893	0	0	0
<b>Total Operating Costs</b>	<b>740,927</b>	<b>465,364</b>	<b>5,468</b>	<b>0</b>	<b>0</b>	<b>1,000,164</b>	<b>944,358</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	23,014	49,604	0	0	0	204,996	216,569	0	0	0
R & E (Non-Direct)	13,440	14,803	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>36,454</b>	<b>64,407</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>204,996</b>	<b>216,569</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>777,381</b>	<b>529,771</b>	<b>5,468</b>	<b>0</b>	<b>0</b>	<b>1,205,160</b>	<b>1,160,928</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-339,442	-348,293	3,094	0	0	-64%	-65%	n/a	n/a	n/a
Electricity	-44,039	-44,147	268	0	0	-98%	-98%	n/a	n/a	n/a
Preventative Maintenance	40,909	-12,106	7	0	0	77%	-23%	n/a	n/a	n/a
Corrective Maintenance	-37,141	-18,156	0	0	0	-83%	-84%	n/a	n/a	n/a
Revenue Offsets	1,091	-18,423	0	0	0	-128%	2168%	n/a	n/a	n/a
Indirects & Overheads	119,385	-37,869	2,099	0	0	36%	-13%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>-259,237</b>	<b>-478,995</b>	<b>5,468</b>	<b>0</b>	<b>0</b>	<b>-26%</b>	<b>-51%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	-181,982	-166,965	0	0	0	-89%	-77%	n/a	n/a	n/a
R & E (Non-Direct)	13,440	14,803	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-168,541</b>	<b>-152,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-82%</b>	<b>-70%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-427,779</b>	<b>-631,157</b>	<b>5,468</b>	<b>0</b>	<b>0</b>	<b>-35%</b>	<b>-54%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	191,178	186,537	3,094	0	0	530,620	534,830	0	0	0
Preventative Maintenance	94,177	41,648	7	0	0	53,268	53,754	0	0	0
Corrective Maintenance	7,522	3,530	0	0	0	44,663	21,686	0	0	0
Indirects & Overheads	446,804	252,024	2,099	0	0	327,419	289,893	0	0	0
<b>Total Controllable Operating Costs</b>	<b>739,681</b>	<b>483,738</b>	<b>5,200</b>	<b>0</b>	<b>0</b>	<b>955,970</b>	<b>900,163</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-339,442	-348,293	3,094	0	0	-64%	-65%	n/a	n/a	n/a
Preventative Maintenance	40,909	-12,106	7	0	0	77%	-23%	n/a	n/a	n/a
Corrective Maintenance	-37,141	-18,156	0	0	0	-83%	-84%	n/a	n/a	n/a
Indirects & Overheads	119,385	-37,869	2,099	0	0	36%	-13%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>-216,289</b>	<b>-416,425</b>	<b>5,200</b>	<b>0</b>	<b>0</b>	<b>-23%</b>	<b>-46%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## SEQ - Logan

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	174,640	208,950	2,552	0	0	483,400	545,658	0	0	0
Electricity	4,817	4,914	113	0	0	3,713	3,713	0	0	0
Preventative Maintenance	89,056	55,822	459	0	0	41,170	40,016	0	0	0
Corrective Maintenance	8,577	11,160	1,054	0	0	23,692	109	0	0	0
Revenue Offsets	1,259	-19,309	0	0	0	-7,222	-7,222	0	0	0
Indirects & Overheads	492,094	461,420	176	0	0	294,800	289,338	0	0	0
<b>Total Operating Costs</b>	<b>770,443</b>	<b>722,955</b>	<b>4,353</b>	<b>0</b>	<b>0</b>	<b>839,554</b>	<b>871,612</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	45,164	65,992	0	0	0	26,844	78,955	0	0	0
R & E (Non-Direct)	19,097	19,716	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>64,261</b>	<b>85,708</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,844</b>	<b>78,955</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>834,704</b>	<b>808,664</b>	<b>4,353</b>	<b>0</b>	<b>0</b>	<b>866,398</b>	<b>950,567</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-308,760	-336,708	2,552	0	0	-64%	-62%	n/a	n/a	n/a
Electricity	1,103	1,200	113	0	0	30%	32%	n/a	n/a	n/a
Preventative Maintenance	47,886	15,806	459	0	0	116%	39%	n/a	n/a	n/a
Corrective Maintenance	-15,115	11,051	1,054	0	0	-64%	10148%	n/a	n/a	n/a
Revenue Offsets	8,482	-12,087	0	0	0	-117%	167%	n/a	n/a	n/a
Indirects & Overheads	197,294	172,081	176	0	0	67%	59%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>-69,110</b>	<b>-148,657</b>	<b>4,353</b>	<b>0</b>	<b>0</b>	<b>-8%</b>	<b>-17%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	18,320	-12,962	0	0	0	68%	-16%	n/a	n/a	n/a
R & E (Non-Direct)	19,097	19,716	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>37,417</b>	<b>6,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139%</b>	<b>9%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-31,694</b>	<b>-141,903</b>	<b>4,353</b>	<b>0</b>	<b>0</b>	<b>-4%</b>	<b>-15%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	174,640	208,950	2,552	0	0	483,400	545,658	0	0	0
Preventative Maintenance	89,056	55,822	459	0	0	41,170	40,016	0	0	0
Corrective Maintenance	8,577	11,160	1,054	0	0	23,692	109	0	0	0
Indirects & Overheads	492,094	461,420	176	0	0	294,800	289,338	0	0	0
<b>Total Controllable Operating Costs</b>	<b>764,367</b>	<b>737,351</b>	<b>4,241</b>	<b>0</b>	<b>0</b>	<b>843,062</b>	<b>875,121</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-308,760	-336,708	2,552	0	0	-64%	-62%	n/a	n/a	n/a
Preventative Maintenance	47,886	15,806	459	0	0	116%	39%	n/a	n/a	n/a
Corrective Maintenance	-15,115	11,051	1,054	0	0	-64%	10148%	n/a	n/a	n/a
Indirects & Overheads	197,294	172,081	176	0	0	67%	59%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>-78,695</b>	<b>-137,770</b>	<b>4,241</b>	<b>0</b>	<b>0</b>	<b>-9%</b>	<b>-16%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## SEQ - Lower Lockyer

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	56,823	175,173	-2,579	0	0	491,398	497,294	0	0	0
Electricity	2,956	12,878	6,971	0	0	26,371	26,371	0	0	0
Preventative Maintenance	-59,052	44,178	371	0	0	65,688	53,284	0	0	0
Corrective Maintenance	8,709	15,044	9	0	0	5,311	6,191	0	0	0
Revenue Offsets	-157	-7,835	0	0	0	-8,072	-8,072	0	0	0
Indirects & Overheads	431,560	393,272	110	0	0	297,659	270,496	0	0	0
<b>Total Operating Costs</b>	<b>440,838</b>	<b>632,710</b>	<b>4,882</b>	<b>0</b>	<b>0</b>	<b>878,356</b>	<b>845,565</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	162,249	100,243	0	0	0	110,510	85,022	0	0	0
R & E (Non-Direct)	20,202	18,640	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>182,451</b>	<b>118,883</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110,510</b>	<b>85,022</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>623,289</b>	<b>751,593</b>	<b>4,882</b>	<b>0</b>	<b>0</b>	<b>988,866</b>	<b>930,587</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-434,576	-322,121	-2,579	0	0	-88%	-65%	n/a	n/a	n/a
Electricity	-23,415	-13,493	6,971	0	0	-89%	-51%	n/a	n/a	n/a
Preventative Maintenance	-124,741	-9,106	371	0	0	-190%	-17%	n/a	n/a	n/a
Corrective Maintenance	3,399	8,853	9	0	0	64%	143%	n/a	n/a	n/a
Revenue Offsets	7,914	236	0	0	0	-98%	-3%	n/a	n/a	n/a
Indirects & Overheads	133,901	122,777	110	0	0	45%	45%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>-437,518</b>	<b>-212,854</b>	<b>4,882</b>	<b>0</b>	<b>0</b>	<b>-50%</b>	<b>-25%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	15,739	15,221	0	0	0	47%	18%	n/a	n/a	n/a
R & E (Non-Direct)	20,202	18,640	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>35,941</b>	<b>33,861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65%</b>	<b>40%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-365,577</b>	<b>-178,994</b>	<b>4,882</b>	<b>0</b>	<b>0</b>	<b>-37%</b>	<b>-19%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	56,823	175,173	-2,579	0	0	491,398	497,294	0	0	0
Preventative Maintenance	-59,052	44,178	371	0	0	65,688	53,284	0	0	0
Corrective Maintenance	8,709	15,044	9	0	0	5,311	6,191	0	0	0
Indirects & Overheads	431,560	393,272	110	0	0	297,659	270,496	0	0	0
<b>Total Controllable Operating Costs</b>	<b>438,040</b>	<b>627,668</b>	<b>-2,089</b>	<b>0</b>	<b>0</b>	<b>860,057</b>	<b>827,265</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-434,576	-322,121	-2,579	0	0	-88%	-65%	n/a	n/a	n/a
Preventative Maintenance	-124,741	-9,106	371	0	0	-190%	-17%	n/a	n/a	n/a
Corrective Maintenance	3,399	8,853	9	0	0	64%	143%	n/a	n/a	n/a
Indirects & Overheads	133,901	122,777	110	0	0	45%	45%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>-422,017</b>	<b>-199,597</b>	<b>-2,089</b>	<b>0</b>	<b>0</b>	<b>-49%</b>	<b>-24%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## SEQ - Upper Mary Irrigation Distribution

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	40,070	26,389	-48	0	0	39,905	45,198	0	0	0
Electricity	22,610	9,333	7,461	0	0	16,271	16,271	0	0	0
Preventative Maintenance	28,722	24,667	35	0	0	20,772	21,894	0	0	0
Corrective Maintenance	33,783	10,610	389	0	0	17,171	17,632	0	0	0
Revenue Offsets	0	-8,565	0	0	0	-960	-960	0	0	0
Indirects & Overheads	102,410	108,952	423	0	0	65,579	65,120	0	0	0
<b>Total Operating Costs</b>	<b>227,595</b>	<b>171,386</b>	<b>8,260</b>	<b>0</b>	<b>0</b>	<b>158,737</b>	<b>165,155</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	16,739	7,678	0	0	0	33,132	94,567	0	0	0
R & E (Non-Direct)	8,608	3,658	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>25,347</b>	<b>11,336</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,132</b>	<b>94,567</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>252,942</b>	<b>182,722</b>	<b>8,260</b>	<b>0</b>	<b>0</b>	<b>191,869</b>	<b>259,722</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	165	-18,809	-48	0	0	0%	-42%	n/a	n/a	n/a
Electricity	6,340	-6,937	7,461	0	0	39%	-43%	n/a	n/a	n/a
Preventative Maintenance	7,950	2,773	35	0	0	38%	13%	n/a	n/a	n/a
Corrective Maintenance	16,611	-7,023	389	0	0	97%	-40%	n/a	n/a	n/a
Revenue Offsets	960	-7,604	0	0	0	-100%	792%	n/a	n/a	n/a
Indirects & Overheads	36,831	43,832	423	0	0	56%	67%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>68,857</b>	<b>6,231</b>	<b>8,260</b>	<b>0</b>	<b>0</b>	<b>43%</b>	<b>4%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	-16,393	-86,889	0	0	0	-49%	-92%	n/a	n/a	n/a
R & E (Non-Direct)	8,608	3,658	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-7,785</b>	<b>-83,231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-23%</b>	<b>-88%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>61,073</b>	<b>-77,000</b>	<b>8,260</b>	<b>0</b>	<b>0</b>	<b>32%</b>	<b>-30%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	40,070	26,389	-48	0	0	39,905	45,198	0	0	0
Preventative Maintenance	28,722	24,667	35	0	0	20,772	21,894	0	0	0
Corrective Maintenance	33,783	10,610	389	0	0	17,171	17,632	0	0	0
Indirects & Overheads	102,410	108,952	423	0	0	65,579	65,120	0	0	0
<b>Total Controllable Operating Costs</b>	<b>204,984</b>	<b>170,617</b>	<b>799</b>	<b>0</b>	<b>0</b>	<b>143,427</b>	<b>149,845</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	165	-18,809	-48	0	0	0%	-42%	n/a	n/a	n/a
Preventative Maintenance	7,950	2,773	35	0	0	38%	13%	n/a	n/a	n/a
Corrective Maintenance	16,611	-7,023	389	0	0	97%	-40%	n/a	n/a	n/a
Indirects & Overheads	36,831	43,832	423	0	0	56%	67%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>61,557</b>	<b>20,772</b>	<b>799</b>	<b>0</b>	<b>0</b>	<b>43%</b>	<b>14%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## SEQ - Upper Mary Water Supply

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	152,058	181,217	3,898	0	0	319,638	405,954	0	0	0
Electricity	0	0	112	0	0	6,189	6,189	0	0	0
Preventative Maintenance	81,001	66,389	3,569	0	0	93,649	90,373	0	0	0
Corrective Maintenance	38,199	39,441	584	0	0	-18,703	-19,745	0	0	0
Revenue Offsets	-323	-10,961	0	0	0	-23,217	-23,217	0	0	0
Indirects & Overheads	372,469	199,104	3,067	0	0	340,795	409,240	0	0	0
<b>Total Operating Costs</b>	<b>643,404</b>	<b>475,190</b>	<b>11,230</b>	<b>0</b>	<b>0</b>	<b>718,351</b>	<b>868,793</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	101,574	20,027	-4,462	0	0	148,805	79,339	0	0	0
R & E (Non-Direct)	38,781	15,351	0	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>140,354</b>	<b>35,377</b>	<b>-4,462</b>	<b>0</b>	<b>0</b>	<b>148,805</b>	<b>79,339</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>783,759</b>	<b>510,567</b>	<b>6,767</b>	<b>0</b>	<b>0</b>	<b>867,155</b>	<b>948,133</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-167,580	-224,737	3,898	0	0	-52%	-55%	n/a	n/a	n/a
Electricity	-6,189	-6,189	112	0	0	-100%	-100%	n/a	n/a	n/a
Preventative Maintenance	-12,647	-23,984	3,569	0	0	-14%	-27%	n/a	n/a	n/a
Corrective Maintenance	56,902	59,186	584	0	0	-304%	-300%	n/a	n/a	n/a
Revenue Offsets	22,894	12,256	0	0	0	-99%	-53%	n/a	n/a	n/a
Indirects & Overheads	31,673	-210,136	3,067	0	0	9%	-51%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>-74,946</b>	<b>-393,603</b>	<b>11,230</b>	<b>0</b>	<b>0</b>	<b>-10%</b>	<b>-45%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	-47,231	-59,313	-4,462	0	0	-32%	-75%	n/a	n/a	n/a
R & E (Non-Direct)	38,781	15,351	0	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-8,450</b>	<b>-43,962</b>	<b>-4,462</b>	<b>0</b>	<b>0</b>	<b>-6%</b>	<b>-55%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-83,397</b>	<b>-437,565</b>	<b>6,767</b>	<b>0</b>	<b>0</b>	<b>-10%</b>	<b>-46%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	152,058	181,217	3,898	0	0	319,638	405,954	0	0	0
Preventative Maintenance	81,001	66,389	3,569	0	0	93,649	90,373	0	0	0
Corrective Maintenance	38,199	39,441	584	0	0	-18,703	-19,745	0	0	0
Indirects & Overheads	372,469	199,104	3,067	0	0	340,795	409,240	0	0	0
<b>Total Controllable Operating Costs</b>	<b>643,727</b>	<b>486,151</b>	<b>11,118</b>	<b>0</b>	<b>0</b>	<b>735,379</b>	<b>885,821</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-167,580	-224,737	3,898	0	0	-52%	-55%	n/a	n/a	n/a
Preventative Maintenance	-12,647	-23,984	3,569	0	0	-14%	-27%	n/a	n/a	n/a
Corrective Maintenance	56,902	59,186	584	0	0	-304%	-300%	n/a	n/a	n/a
Indirects & Overheads	31,673	-210,136	3,067	0	0	9%	-51%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>-91,652</b>	<b>-399,671</b>	<b>11,118</b>	<b>0</b>	<b>0</b>	<b>-12%</b>	<b>-45%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!



## SEQ - Warril Valley

## 2006/07 to 2010/11 Total Expenditure Comparison (Real 10/11 \$)

Expenditure	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	187,196	249,804	3,767	0	0	720,920	702,986	0	0	0
Electricity	4,181	1,904	632	0	0	0	0	0	0	0
Preventative Maintenance	124,370	75,973	1,731	0	0	79,237	89,292	0	0	0
Corrective Maintenance	16,315	36,275	0	0	0	-7,939	-4,681	0	0	0
Revenue Offsets	-1,715	-16,695	0	0	0	-12,320	-12,320	0	0	0
Indirects & Overheads	613,879	506,371	1,590	0	0	395,109	392,293	0	0	0
<b>Total Operating Costs</b>	<b>944,226</b>	<b>853,632</b>	<b>7,721</b>	<b>0</b>	<b>0</b>	<b>1,175,008</b>	<b>1,167,570</b>	<b>0</b>	<b>0</b>	<b>0</b>
R & E (Direct)	48,314	61,749	930	0	0	71,831	106,278	0	0	0
R & E (Non-Direct)	17,134	24,471	1,004	0	0	0	0	0	0	0
<b>Total R &amp; E Cash Spend Costs</b>	<b>65,448</b>	<b>86,220</b>	<b>1,934</b>	<b>0</b>	<b>0</b>	<b>71,831</b>	<b>106,278</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>1,009,674</b>	<b>939,852</b>	<b>9,655</b>	<b>0</b>	<b>0</b>	<b>1,246,839</b>	<b>1,273,848</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Total Expenditure Variance Analysis (Real 10/11 \$)

Expenditure	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-533,724	-453,182	3,767	0	0	-74%	-64%	n/a	n/a	n/a
Electricity	4,181	1,904	632	0	0	n/a	n/a	n/a	n/a	n/a
Preventative Maintenance	45,133	-13,319	1,731	0	0	57%	-15%	n/a	n/a	n/a
Corrective Maintenance	24,254	40,955	0	0	0	-306%	-875%	n/a	n/a	n/a
Revenue Offsets	10,605	-4,375	0	0	0	-86%	36%	n/a	n/a	n/a
Indirects & Overheads	218,769	114,078	1,590	0	0	55%	29%	n/a	n/a	n/a
<b>Total Operating Costs</b>	<b>-230,781</b>	<b>-313,938</b>	<b>7,721</b>	<b>0</b>	<b>0</b>	<b>-20%</b>	<b>-27%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
R & E (Direct)	-23,518	-44,529	930	0	0	-33%	-42%	n/a	n/a	n/a
R & E (Non-Direct)	17,134	24,471	1,004	0	0	n/a	n/a	n/a	n/a	n/a
<b>Total R &amp; E Cash Spend Costs</b>	<b>-6,384</b>	<b>-20,058</b>	<b>1,934</b>	<b>0</b>	<b>0</b>	<b>-9%</b>	<b>-19%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Expenditure</b>	<b>-237,165</b>	<b>-333,996</b>	<b>9,655</b>	<b>0</b>	<b>0</b>	<b>-19%</b>	<b>-26%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## 2006/07 to 2010/11 Controllable Operating Cost Comparison (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Actual	2008, Actual	2009, Actual	2010, Actual	2011, Actual	2007, Forecast	2008, Forecast	2009, Forecast	2010, Forecast	2011, Forecast
Operations	187,196	249,804	3,767	0	0	720,920	702,986	0	0	0
Preventative Maintenance	124,370	75,973	1,731	0	0	79,237	89,292	0	0	0
Corrective Maintenance	16,315	36,275	0	0	0	-7,939	-4,681	0	0	0
Indirects & Overheads	613,879	506,371	1,590	0	0	395,109	392,293	0	0	0
<b>Total Controllable Operating Costs</b>	<b>941,760</b>	<b>868,423</b>	<b>7,089</b>	<b>0</b>	<b>0</b>	<b>1,187,328</b>	<b>1,179,890</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2006/07 to 2010/11 Controllable Operating Cost Variance Analysis (Excluding Electricity &amp; Revenue Offsets) (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity & Revenue Offsets)	2007, Variance	2008, Variance	2009, Variance	2010, Variance	2011, Variance	2007, % Variance	2008, % Variance	2009, % Variance	2010, % Variance	2011, % Variance
Operations	-533,724	-453,182	3,767	0	0	-74%	-64%	n/a	n/a	n/a
Preventative Maintenance	45,133	-13,319	1,731	0	0	57%	-15%	n/a	n/a	n/a
Corrective Maintenance	24,254	40,955	0	0	0	-306%	-875%	n/a	n/a	n/a
Indirects & Overheads	218,769	114,078	1,590	0	0	55%	29%	n/a	n/a	n/a
<b>Total Controllable Operating Costs</b>	<b>-245,568</b>	<b>-311,467</b>	<b>7,089</b>	<b>0</b>	<b>0</b>	<b>-21%</b>	<b>-26%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

Positive variance means Actual is higher than Forecast. Negative variance means Actual is lower than Forecast.

## Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis, 2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	0						
Preventative Maintenance	0						
Corrective Maintenance	0						
Revenue Offsets	0						
Indirects & Overheads	0						
<b>Total</b>	<b>0</b>						
\$ Variance to 2011 Forecast		0	0	0	0	0	0
% Variance to 2011 Forecast		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

## **APPENDIX C**

### **Bundled Service Contract Analysis Tables**

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Bundaberg Water Supply  
Bundaberg Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,668,113	1,540,854	1,555,991	1,558,548	1,562,388	1,564,787	1,564,348
Preventative Maintenance	846,194	1,070,469	1,085,923	1,091,202	1,096,582	1,102,347	1,102,456
Corrective Maintenance	634,488	591,677	599,086	602,171	606,097	609,383	610,196
Revenue Offsets	-13,004	-176,000	-176,000	-176,000	-175,000	-175,000	-175,000
Indirects & Overheads	2,360,749	2,690,000	2,872,000	2,932,080	2,928,932	2,851,483	2,734,000
<b>Total</b>	<b>5,496,539</b>	<b>5,717,000</b>	<b>5,937,000</b>	<b>6,008,000</b>	<b>6,019,000</b>	<b>5,953,000</b>	<b>5,836,000</b>
\$ Variance to 2011 Forecast		220,461	440,461	511,461	522,461	456,461	339,461
% Variance to 2011 Forecast		4.0%	8.0%	9.3%	9.5%	8.3%	6.2%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Burdekin Water Supply  
Burdekin Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	3,292,096	3,553,752	3,592,604	3,603,470	3,612,425	3,616,167	3,607,412
Preventative Maintenance	1,646,155	2,089,462	2,109,001	2,124,677	2,143,664	2,167,025	2,174,716
Corrective Maintenance	998,886	959,391	964,395	970,444	977,502	985,406	985,423
Revenue Offsets	-41,037	-725,000	-725,000	-725,000	-725,000	-725,000	-725,000
Indirects & Overheads	4,053,472	5,032,395	5,384,000	5,519,409	5,487,409	5,329,402	5,135,449
<b>Total</b>	<b>9,949,572</b>	<b>10,910,000</b>	<b>11,325,000</b>	<b>11,493,000</b>	<b>11,496,000</b>	<b>11,373,000</b>	<b>11,178,000</b>
\$ Variance to 2011 Forecast		960,428	1,375,428	1,543,428	1,546,428	1,423,428	1,228,428
% Variance to 2011 Forecast		9.7%	13.8%	15.5%	15.5%	14.3%	12.3%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Dawson Water Supply  
Dawson Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	576,235	514,825	521,914	523,293	523,845	524,361	523,585
Preventative Maintenance	262,460	268,693	272,001	272,469	273,766	275,254	275,919
Corrective Maintenance	106,311	135,341	137,498	138,238	138,800	138,867	138,990
Revenue Offsets	-7,134	-60,000	-60,000	-60,000	-60,000	-60,000	-58,000
Indirects & Overheads	806,606	1,060,142	1,136,587	1,167,000	1,156,589	1,120,518	1,080,506
<b>Total</b>	<b>1,744,479</b>	<b>1,919,000</b>	<b>2,008,000</b>	<b>2,041,000</b>	<b>2,033,000</b>	<b>1,999,000</b>	<b>1,961,000</b>
\$ Variance to 2011 Forecast		174,521	263,521	296,521	288,521	254,521	216,521
% Variance to 2011 Forecast		10.0%	15.1%	17.0%	16.5%	14.6%	12.4%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Nogoa Water Supply  
Emerald Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,155,339	1,275,706	1,296,518	1,299,413	1,303,857	1,305,519	1,303,055
Preventative Maintenance	475,285	467,607	472,256	475,605	478,629	483,555	486,182
Corrective Maintenance	69,274	250,147	252,805	253,982	256,514	258,475	259,218
Revenue Offsets	-258,194	-481,000	-481,000	-481,000	-478,000	-461,000	-449,000
Indirects & Overheads	1,498,639	1,862,540	2,010,422	2,077,000	2,043,000	1,970,452	1,916,544
<b>Total</b>	<b>2,940,343</b>	<b>3,375,000</b>	<b>3,551,000</b>	<b>3,625,000</b>	<b>3,604,000</b>	<b>3,557,000</b>	<b>3,516,000</b>
\$ Variance to 2011 Forecast		434,657	610,657	684,657	663,657	616,657	575,657
% Variance to 2011 Forecast		14.8%	20.8%	23.3%	22.6%	21.0%	19.6%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Eton Water Supply  
Eton Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	675,237	691,443	700,489	703,174	705,116	706,383	704,925
Preventative Maintenance	306,576	584,476	592,490	596,071	600,744	605,158	606,017
Corrective Maintenance	299,774	410,540	415,020	418,176	421,561	425,800	427,517
Revenue Offsets	-50,566	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000
Indirects & Overheads	950,367	1,263,541	1,355,000	1,393,579	1,379,579	1,335,659	1,292,540
<b>Total</b>	<b>2,181,388</b>	<b>2,944,000</b>	<b>3,057,000</b>	<b>3,105,000</b>	<b>3,101,000</b>	<b>3,067,000</b>	<b>3,025,000</b>
\$ Variance to 2011 Forecast		762,612	875,612	923,612	919,612	885,612	843,612
% Variance to 2011 Forecast		35.0%	40.1%	42.3%	42.2%	40.6%	38.7%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Lower Mary Water Supply  
Lower Mary Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	104,159	200,672	202,613	202,711	202,898	203,549	203,283
Preventative Maintenance	67,244	153,210	155,224	155,830	156,447	156,609	156,516
Corrective Maintenance	167,650	80,638	81,670	81,459	82,046	82,732	83,085
Revenue Offsets	-1,094	-15,000	-15,000	-15,000	-15,000	-15,000	-15,000
Indirects & Overheads	269,804	460,481	492,493	505,000	501,610	487,110	468,117
<b>Total</b>	<b>607,764</b>	<b>880,000</b>	<b>917,000</b>	<b>930,000</b>	<b>928,000</b>	<b>915,000</b>	<b>896,000</b>
\$ Variance to 2011 Forecast		272,236	309,236	322,236	320,236	307,236	288,236
% Variance to 2011 Forecast		44.8%	50.9%	53.0%	52.7%	50.6%	47.4%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**Mareeba Water Supply  
Mareeba Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,348,302	1,351,721	1,329,015	1,329,094	1,329,474	1,329,412	1,326,658
Preventative Maintenance	737,847	357,067	358,950	360,476	361,429	361,398	360,515
Corrective Maintenance	703,056	732,212	752,578	769,971	787,098	805,713	820,381
Revenue Offsets	-9,981	-640,000	-640,000	-640,000	-638,000	-635,000	-634,000
Indirects & Overheads	2,345,274	2,035,000	2,188,457	2,254,458	2,264,000	2,217,477	2,145,446
<b>Total</b>	<b>5,124,499</b>	<b>3,836,000</b>	<b>3,989,000</b>	<b>4,074,000</b>	<b>4,104,000</b>	<b>4,079,000</b>	<b>4,019,000</b>
\$ Variance to 2011 Forecast		-1,288,499	-1,135,499	-1,050,499	-1,020,499	-1,045,499	-1,105,499
% Variance to 2011 Forecast		-25.1%	-22.2%	-20.5%	-19.9%	-20.4%	-21.6%

**Bundled Service Contract Controllable Operating Costs (Excluding Electricity) Efficiency Savings Analysis,  
2010/11 compared to 2011/12 to 2016/17 (Real 10/11 \$)**

**St George Water Supply  
St George Irrigation Distribution**

Controllable Operating Costs (Excluding Electricity)	2011, Forecast	2012, Forecast	2013, Forecast	2014, Forecast	2015, Forecast	2016, Forecast	2017, Forecast
Operations	1,114,828	687,868	696,287	697,898	700,383	703,786	703,305
Preventative Maintenance	231,089	264,296	267,528	269,272	270,582	271,637	272,638
Corrective Maintenance	192,697	179,292	181,807	182,905	183,473	184,127	183,602
Revenue Offsets	-23,841	-214,000	-214,000	-214,000	-214,000	-214,000	-214,000
Indirects & Overheads	1,085,203	1,184,544	1,269,378	1,305,925	1,294,562	1,252,450	1,210,454
<b>Total</b>	<b>2,599,976</b>	<b>2,102,000</b>	<b>2,201,000</b>	<b>2,242,000</b>	<b>2,235,000</b>	<b>2,198,000</b>	<b>2,156,000</b>
\$ Variance to 2011 Forecast		-497,976	-398,976	-357,976	-364,976	-401,976	-443,976
% Variance to 2011 Forecast		-19.2%	-15.3%	-13.8%	-14.0%	-15.5%	-17.1%