

Financing and price control assumptions

v1.4.1

Gippsland Water

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2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Inflation assumptions

March quarter annual CPI	141.3	144.1	147.5	151.9	155.6					
Inflation		1.98%	2.36%	2.98%	2.44%	3.15%	3.15%	3.15%	3.15%	3.15%
Inflation factor	0.930	0.949	0.971	1.000	1.024	1.057	1.090	1.124	1.160	1.196

WACC assumptions

Parameters

	1st period	Forecast
Risk Free Rate (Real)	2.67%	2.61%
Debt Premium	1.16%	1.11%
Equity Premium	6.00%	6.00%
Equity Beta	0.8	75%
Gearing (Debt/Assets)	60.00%	60.00%
Forecast Inflation	2.55%	3.15%
Franking credit value	0.5	0.5
'Vanilla' After Tax WACC (Real)	5.20%	5.10%

Operating Expenditure forecast

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FIRST REG PERIOD	SECOND REG PERIOD
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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Operating Expenditure Summary

Business as Usual	35.79	36.92	39.36	40.47	48.31	52.58	52.72	53.99	54.25
Licence fees	0.49	0.60	0.70	0.59	0.59	0.62	0.62	0.62	0.62
Environment Levy	1.60	2.09	2.03	2.03	2.20	2.20	2.20	2.20	2.20
Total prescribed BAU opex	37.89	39.61	42.09	43.09	51.10	55.39	55.54	56.81	57.07
<i>June 2005 Final decision</i>		36.69	37.76	36.76					

Total BAU operating expenditure

\$m, 1/1/07

Water

Operations & Maintenance	8.39	9.17	8.82	9.27	10.53	10.63	10.28	10.34	10.43
Bulk charges	-	-	-	-	-	-	-	-	-
Treatment	4.17	3.78	4.56	3.79	4.00	4.17	4.30	4.37	4.48
Customer Service and billing	1.18	1.20	1.19	1.16	1.12	1.06	1.07	1.07	1.11
GSL Payments	-	-	-	-	-	-	-	-	-
Licence Fees	0.14	0.14	0.21	0.32	0.24	0.23	0.22	0.22	0.22
Corporate	5.95	6.60	6.70	6.97	6.94	6.35	6.32	6.33	6.51
Other operating expenditure	-	-	-	-	-	-	-	-	-

Total Water

19.83 20.90 21.48 21.50 22.84 22.44 22.19 22.34 22.75

Sewerage

Operations & Maintenance	4.47	3.68	4.19	5.43	7.77	9.91	9.51	8.67	8.77
Bulk charges	-	-	-	-	-	-	-	-	-
Treatment	5.17	5.54	6.31	5.44	8.29	10.27	10.91	12.59	12.25
Customer Service and billing	1.03	1.03	1.08	1.11	1.27	1.38	1.42	1.46	1.48
GSL Payments	-	-	-	-	-	-	-	-	-
Licence Fees	0.12	0.12	0.20	0.30	0.28	0.30	0.30	0.30	0.30
Corporate	5.17	5.65	6.11	6.69	7.86	8.28	8.38	8.62	8.70
Other operating expenditure	-	-	-	-	-	-	-	-	-

Total Sewerage

15.96 16.02 17.88 18.96 25.46 30.14 30.53 31.65 31.50

Operating Expenditure forecast

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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Operating Expenditure Summary

Business as Usual	35.79	36.92	39.36	40.47	48.31	52.58	52.72	53.99	54.25
Licence fees	0.49	0.60	0.70	0.59	0.59	0.62	0.62	0.62	0.62
Environment Levy	1.60	2.09	2.03	2.03	2.20	2.20	2.20	2.20	2.20
Total prescribed BAU opex	37.89	39.61	42.09	43.09	51.10	55.39	55.54	56.81	57.07
<i>June 2005 Final decision</i>		36.69	37.76	36.76					

Bulk water

Operations & Maintenance	-	-	-	-	-	-	-	-	-
Bulk charges	-	-	-	-	-	-	-	-	-
Treatment	-	-	-	-	-	-	-	-	-
Customer Service and billing	-	-	-	-	-	-	-	-	-
GSL Payments	-	-	-	-	-	-	-	-	-
Licence Fees	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-
Other operating expenditure	-	-	-	-	-	-	-	-	-
Total Bulk water	-	-	-	-	-	-	-	-	-

Recycled water

-	-	-	-	-	-	-	-	-	-
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Rural water

-	-	-	-	-	-	-	-	-	-
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Licence fees

Essential Services Commission	0.04	0.12	0.15	0.12	0.12	0.12	0.12	0.12	0.12
Department of Human Services	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04
Environment Protection Authority	0.43	0.45	0.53	0.44	0.44	0.46	0.46	0.47	0.47
Total Licence fees	0.49	0.60	0.70	0.59	0.59	0.62	0.62	0.62	0.62

Capital Expenditure forecast by Asset Category

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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Capital Expenditure Summary

Water	14.26	19.74	12.93	10.51	17.71	14.32	18.88	20.82	26.32
Sewerage	9.76	23.34	52.96	125.28	39.23	17.93	23.58	36.07	36.42
Bulk water	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total prescribed BAU capex	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
<i>June 2005 Final Decision</i>	<i>27.57</i>	<i>37.30</i>	<i>45.25</i>	<i>51.67</i>					
Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53

Total BAU capital expenditure

\$m, 1/1/07 inclusive of government and customer contributions

Water

Headworks	1.65	2.09	1.13	2.25	2.57	1.66	4.72	8.40	7.82
Pipelines/network	5.67	7.81	6.72	4.11	10.42	9.39	10.92	7.54	12.66
Treatment	4.35	8.14	3.87	4.05	3.59	2.24	2.11	3.49	4.69
Corporate	2.59	1.70	1.20	0.10	1.13	1.03	1.14	1.39	1.15
Total Water	14.26	19.74	12.93	10.51	17.71	14.32	18.88	20.82	26.32

Sewerage

Headworks	-	-	-	-	-	-	-	-	-
Pipelines/network	5.23	6.21	10.21	7.26	10.18	8.88	9.24	11.32	12.13
Treatment	2.76	15.12	37.84	116.82	26.54	7.77	12.92	22.35	22.71
Corporate	1.77	2.01	4.91	1.20	2.51	1.28	1.42	2.40	1.59
Total Sewerage	9.76	23.34	52.96	125.28	39.23	17.93	23.58	36.07	36.42

Capital Expenditure forecast by Asset Category

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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Capital Expenditure Summary									
Water	14.26	19.74	12.93	10.51	17.71	14.32	18.88	20.82	26.32
Sewerage	9.76	23.34	52.96	125.28	39.23	17.93	23.58	36.07	36.42
Bulk water	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total prescribed BAU capex	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
<i>June 2005 Final Decision</i>	<i>27.57</i>	<i>37.30</i>	<i>45.25</i>	<i>51.67</i>					
Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53

Bulk water

Headworks	-	-	-	-	-	-	-	-	-
Pipelines/network	-	-	-	-	-	-	-	-	-
Treatment	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-

Total Bulk water

-	-	-	-	-	-	-	-	-	-
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Recycled water

-	-	-	-	-	-	-	-	-	-
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Rural water

-	-	-	-	-	-	-	-	-	-
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Capital Expenditure forecast by Asset Category

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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Capital Expenditure Summary

Water	14.26	19.74	12.93	10.51	17.71	14.32	18.88	20.82	26.32
Sewerage	9.76	23.34	52.96	125.28	39.23	17.93	23.58	36.07	36.42
Bulk water	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total prescribed BAU capex	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
<i>June 2005 Final Decision</i>	<i>27.57</i>	<i>37.30</i>	<i>45.25</i>	<i>51.67</i>					
Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53

Above figures include contributions from:

Government contributions

Headworks	-	-	-	-	-	-	-	-	-
Pipelines/network	-	2.01	-	-	-	0.39	-	0.39	-
Treatment	-	37.71	17.09	-	-	-	6.80	-	-
Corporate	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-

Customer contributions

Headworks	-	-	-	-	-	-	-	-	-
Pipelines/network	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	3.92
Treatment	-	-	-	-	-	-	-	-	13.01
Corporate	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92

Capital Expenditure forecast by Asset Category

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FIRST REG PERIOD					SECOND REG PERIOD				
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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Capital Expenditure Summary

Water	14.26	19.74	12.93	10.51	17.71	14.32	18.88	20.82	26.32
Sewerage	9.76	23.34	52.96	125.28	39.23	17.93	23.58	36.07	36.42
Bulk water	-	-	-	-	-	-	-	-	-
Recycled water	-	-	-	-	-	-	-	-	-
Rural water	-	-	-	-	-	-	-	-	-
Total prescribed BAU capex	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
<i>June 2005 Final Decision</i>	<i>27.57</i>	<i>37.30</i>	<i>45.25</i>	<i>51.67</i>					
Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53

Gifted Assets

	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
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Asset disposals

Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53
Written down value of assets disposed	1.31	1.32	1.10	0.91	0.66	0.47	0.84	0.96	0.50

Capital Expenditure forecast by Cost Driver - from 1/7/8

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2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
				1	2	3	4	5

Capital Expenditure Summary

Net capital expenditure - renewals				40.43	20.33	23.38	19.45	20.69
Net capital expenditure - growth				7.88	1.90	3.36	4.82	9.22
Net capital expenditure - improved service				5.07	1.74	1.50	4.13	5.38
Net capital expenditure - compliance				2.18	3.83	3.13	26.18	10.53
Government contributions				-	0.39	6.80	0.39	-
Customer contributions				1.37	4.07	4.29	1.91	16.92
Total prescribed BAU capex				56.93	32.26	42.45	56.89	62.74
Regulatory Depreciation				0.67	1.70	2.45	3.46	4.58
Return on assets				1.40	3.47	4.87	6.91	9.26
Gifted Assets		4.58	4.27	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals				0.53	0.48	0.68	0.97	0.53

Total BAU capital expenditure

\$m, 1/1/07

Renewal of existing infrastructure

127 Water Headworks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	0.65	1.00	3.15	3.30	2.80
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure	0.65	1.00	3.15	3.30	2.80

136 Water Pipelines/Networks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	5.96	7.22	6.72	5.66	8.45
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure	5.96	7.22	6.72	5.66	8.45

145 Water Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		2.23	1.26	1.12	1.83	1.13			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		2.23	1.26	1.12	1.83	1.13			
154 Water Corporate									
Asset life (years)	10.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.44	0.70	0.86	1.63	0.86			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.44	0.70	0.86	1.63	0.86			
163 Waste Headworks									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		-	-	-	-	-			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		-	-	-	-	-			
172 Waste Pipelines/Networks									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		4.60	3.80	4.10	4.28	5.13			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		4.60	3.80	4.10	4.28	5.13			
181 Waste Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		23.87	5.21	6.30	1.76	1.62			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		23.87	5.21	6.30	1.76	1.62			
190 Desludging (Lagoons)									
Asset life (years)	5.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.10	0.25	0.19	0.08	0.10			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.10	0.25	0.19	0.08	0.10			
199 Desludging (Treatment/Dutson)									
Asset life (years)	10.00								
Depreciation method	Straight Line								

Gross capital expenditure	0.00	1.10	0.20	0.10	-	0.10
Government contributions		-	-	-	-	-
Customer contributions		-	-	-	-	-
Net capital expenditure		1.10	0.20	0.10	-	0.10

208 Waste Corporate

Asset life (years)	10.00
Depreciation method	Straight Line

Gross capital expenditure	0.00	1.48	0.70	0.84	0.92	0.48
Government contributions		-	-	-	-	-
Customer contributions		-	-	-	-	-
Net capital expenditure		1.48	0.70	0.84	0.92	0.48

Total

Gross capital expenditure		40.43	20.33	23.38	19.45	20.69
Government contributions		-	-	-	-	-
Customer contributions		-	-	-	-	-
Net capital expenditure		40.43	20.33	23.38	19.45	20.69
Regulatory Depreciation		0.47	1.20	1.75	2.31	2.83
Return on assets		1.02	2.53	3.57	4.55	5.45

Growth

244 Water Headworks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure		1.03	0.28	1.12	3.59	4.60
Government contributions		-	-	-	-	-
Customer contributions		-	-	-	-	-
Net capital expenditure		1.03	0.28	1.12	3.59	4.60

253 Water Pipelines/Networks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure		2.32	1.69	3.96	1.64	3.97
Government contributions		-	-	-	-	-
Customer contributions		0.60	0.58	0.57	0.57	0.57
Net capital expenditure		1.72	1.11	3.39	1.07	3.40

289 Waste Pipelines/Networks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	4.66	2.39	0.77	0.60	0.79
Government contributions	-	-	-	-	-
Customer contributions	0.50	3.48	2.48	1.28	0.48
Net capital expenditure	4.16	(1.10)	(1.71)	(0.68)	0.31

298 Waste Treatment

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	0.97	1.61	0.56	0.84	0.91
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure	0.97	1.61	0.56	0.84	0.91

Total

Gross capital expenditure	8.98	5.96	6.41	6.67	10.27
Government contributions	-	-	-	-	-
Customer contributions	1.11	4.07	3.05	1.85	1.05
Net capital expenditure	7.88	1.90	3.36	4.82	9.22
Regulatory Depreciation	0.07	0.15	0.19	0.26	0.38
Return on assets	0.20	0.44	0.57	0.77	1.11

Improvement in service

361 Water Headworks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	0.70	0.19	0.25	1.32	0.22
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure	0.70	0.19	0.25	1.32	0.22

370 Water Pipelines/Networks

Asset life (years)	60.00
Depreciation method	Straight Line

Gross capital expenditure	2.14	0.49	0.23	0.24	0.24
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure	2.14	0.49	0.23	0.24	0.24

379 Water Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.51	0.14	0.14	0.81	2.71			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.51	0.14	0.14	0.81	2.71			

388 Water Corporate									
Asset life (years)	10.00								
Depreciation method	Straight Line								
Gross capital expenditure		1.70	0.89	0.83	1.01	1.10			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		1.70	0.89	0.83	1.01	1.10			

415 Waste Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.02	0.02	0.02	0.53	0.83			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.02	0.02	0.02	0.53	0.83			

424 Waste Corporate									
Asset life (years)	10.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.01	0.02	0.03	0.23	0.29			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.01	0.02	0.03	0.23	0.29			

Total

Gross capital expenditure		5.07	1.74	1.50	4.13	5.38			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		5.07	1.74	1.50	4.13	5.38			
Regulatory Depreciation		0.11	0.28	0.38	0.51	0.70			
Return on assets		0.13	0.29	0.36	0.48	0.69			

Compliance

478 Water Headworks									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.20	0.20	0.20	0.20	0.20			
Government contributions		-	-	-	-	-			
Customer contributions		-	-	-	-	-			
Net capital expenditure		0.20	0.20	0.20	0.20	0.20			

496 Water Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure	0.00	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Government contributions		-	-	-	-	-	-	-	-
Customer contributions		-	-	-	-	-	-	-	-
Net capital expenditure		0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85

523 Waste Pipelines/Networks									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.92	2.69	4.37	6.44	6.21	6.21	6.21	6.21
Government contributions		-	0.39	-	0.39	-	0.39	-	-
Customer contributions		0.26	-	1.23	0.06	2.86	2.86	2.86	2.86
Net capital expenditure		0.65	2.30	3.14	5.99	3.34	3.34	3.34	3.34

532 Waste Treatment									
Asset life (years)	60.00								
Depreciation method	Straight Line								
Gross capital expenditure		0.48	0.48	5.75	19.15	19.15	19.15	19.15	19.15
Government contributions		-	-	6.80	-	-	-	-	-
Customer contributions		-	-	-	-	13.01	13.01	13.01	13.01
Net capital expenditure		0.48	0.48	(1.05)	19.15	6.14	6.14	6.14	6.14

Total

Gross capital expenditure	2.45	4.22	11.16	26.64	26.40	26.40	26.40	26.40	26.40
Government contributions	-	0.39	6.80	0.39	-	-	-	-	-
Customer contributions	0.26	-	1.23	0.06	15.87	15.87	15.87	15.87	15.87
Net capital expenditure	2.18	3.83	3.13	26.18	10.53	10.53	10.53	10.53	10.53
Regulatory Depreciation	0.02	0.07	0.13	0.37	0.68	0.68	0.68	0.68	0.68
Return on assets	0.06	0.21	0.38	1.11	2.02	2.02	2.02	2.02	2.02

Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
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Asset disposals

Proceeds from disposals	0.53	0.48	0.68	0.97	0.53	0.53	0.53	0.53	0.53
Written down value of assets disposed	0.66	0.47	0.84	0.96	0.50	0.50	0.50	0.50	0.50

Rolled forward regulatory asset base

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FIRST REG PERIOD					SECOND REG PERIOD				
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	
				1	2	3	4	5	

Rolled forward asset base									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Opening asset base	167.70	179.39	172.27	210.56	334.86	327.06	319.25	311.44	303.63
Closing asset base	179.39	172.27	210.56	334.86	327.06	319.25	311.44	303.63	295.82
Weighted Average Asset life (yrs)					49.58				
Regulatory depreciation - Existing	6.88	6.88	6.88	6.88	7.81	7.81	7.81	7.81	7.81
Regulatory depreciation - New Assets	0.39	1.25	2.24	3.33	0.67	1.70	2.45	3.46	4.58
Regulatory depreciation - Total	7.26	8.12	9.11	10.20	8.48	9.51	10.26	11.26	12.39

Rolled forward asset base

\$m, 1/1/07

Opening asset base	167.70	179.39	172.27	210.56	334.86	381.42	399.23	419.67	462.02
plus Gross capex	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
less Government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
less Customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
less Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53
less Regulatory depreciation	7.26	8.12	9.11	10.20	8.48	9.51	10.26	11.26	12.39
Closing asset base	179.39	172.27	210.56	334.86	381.42	399.23	419.67	462.02	494.91

Rolled forward regulatory asset base

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FIRST REG PERIOD					SECOND REG PERIOD				
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	
				1	2	3	4	5	

Rolled forward asset base									
Opening asset base	167.70	179.39	172.27	210.56	334.86	327.06	319.25	311.44	303.63
Closing asset base	179.39	172.27	210.56	334.86	327.06	319.25	311.44	303.63	295.82
Weighted Average Asset life (yrs)					49.58				
Regulatory depreciation - Existing	6.88	6.88	6.88	6.88	7.81	7.81	7.81	7.81	7.81
Regulatory depreciation - New Assets	0.39	1.25	2.24	3.33	0.67	1.70	2.45	3.46	4.58
Regulatory depreciation - Total	7.26	8.12	9.11	10.20	8.48	9.51	10.26	11.26	12.39

Depreciation of asset base as at 1/7/08

Asset class	Remaining Life	Book Value	% of total						
Water Headworks	57.85	11.63	3.5%	0.20	0.20	0.20	0.20	0.20	
Water Pipelines/netw	67.49	98.68	29.5%	1.46	1.46	1.46	1.46	1.46	
Water Treatment	34.18	31.54	9.4%	0.92	0.92	0.92	0.92	0.92	
Water Corporate	16.84	8.42	2.5%	0.50	0.50	0.50	0.50	0.50	
Water - WIP	60.00	11.71	3.5%	0.20	0.20	0.20	0.20	0.20	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
Sewerage Pipelines/r	46.03	124.59	37.2%	2.71	2.71	2.71	2.71	2.71	
Sewerage Treatment	26.44	20.46	6.1%	0.77	0.77	0.77	0.77	0.77	
Sewerage Corporate	17.14	13.99	4.2%	0.82	0.82	0.82	0.82	0.82	
Sewerage - WIP	60.00	13.85	4.1%	0.23	0.23	0.23	0.23	0.23	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
-	-	-	0.0%	0.00	0.00	0.00	0.00	0.00	
Total assets		334.86		Total regulatory depreciation	7.81	7.81	7.81	7.81	7.81

Expenditure Summary

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	FIRST REG PERIOD				SECOND REG PERIOD				
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Operating Expenditure									
Total Operating Expenditure		39.61	42.09	43.09	51.10	55.39	55.54	56.81	57.07
Capex by Asset Category									
Total Gross Capital Expenditure	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
Total Government Contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
Total Customer Contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
Total Net Capital Expenditure	19.76	1.69	48.14	135.30	55.56	27.80	31.37	54.58	45.82
Gifted Assets	5.68	4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53
Capex by Class									
Total Gross Capital Expenditure		-	-	-	56.93	32.26	42.45	56.89	62.74
Total Government Contributions		-	-	-	-	0.39	6.80	0.39	-
Total Customer Contributions		-	-	-	1.37	4.07	4.29	1.91	16.92
Total Net Capital Expenditure		-	-	-	55.56	27.80	31.37	54.58	45.82
Total Regulatory Depreciation on new assets		-	-	-	0.67	1.70	2.45	3.46	4.58
Gifted Assets		4.58	4.27	2.50	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals		-	-	-	0.53	0.48	0.68	0.97	0.53
Capex for Tax									
					57.83	32.85	44.25	57.26	63.08

Revenue forecast (price caps)

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Revenue Summary							
Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Tariff revenue	36.01	40.25	41.99	51.62	63.48	69.89	84.81
Total prescribed revenue	57.02	58.47	59.56	69.26	81.43	87.84	102.78
Revenue not collected	0.17	0.04	0.07	0.07	0.07	0.07	0.07
Net prescribed revenue	56.85	58.43	59.49	69.19	81.36	87.77	102.71
Revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	93.86
Non-prescribed revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.21
TOTAL REVENUE	59.87	61.56	63.25	73.51	86.47	100.11	107.92

Price control		Hybrid price control (if applicable)					
		NPV	REGULATORY PERIOD				
NPV Net Prescribed Revenue	382.30	-	-	-	-	-	-
NPV Revenue Requirement	382.30	303.43	51.62	63.48	69.89	76.94	84.81
Variance	(0.00)	79.18	17.64	17.95	17.94	17.97	17.97
PRICE CONTROL OK		(0.31)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
		NPV non-revenue cap	382.30				
		Allowable revenue cap	0.00				
		Revenue cap services	-	-	-	-	-

Revenue forecast

Non-tariff revenue \$m, 1/1/07

Contract revenue							
Trade Waste Contract Revenue	7.98	7.29	7.33	7.33	7.56	7.56	7.57
Sewerage Contract Revenue	-	-	-	-	-	-	-
Water Contract Revenue	9.67	7.78	7.86	7.87	7.96	7.97	7.99
Recycled Water Contract Revenue	-	-	-	-	-	-	-
Total Contract revenue	17.66	15.06	15.19	15.20	15.52	15.53	15.56
Other non-tariff revenue							
Miscellaneous Services	3.35	3.15	2.38	2.44	2.43	2.41	2.41
Other Revenue	-	-	-	-	-	-	-
Total Other non-tariff revenue	3.35	3.15	2.38	2.44	2.43	2.41	2.41
Total Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Revenue not collected \$m, 1/1/07	0.17	0.04	0.07	0.07	0.07	0.07	0.07

Revenue forecast (price caps)

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Revenue Summary							
Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Tariff revenue	36.01	40.25	41.99	51.62	63.48	69.89	84.81
Total prescribed revenue	57.02	58.47	59.56	69.26	81.43	87.84	102.78
Revenue not collected	0.17	0.04	0.07	0.07	0.07	0.07	0.07
Net prescribed revenue	56.85	58.43	59.49	69.19	81.36	87.77	102.71
Revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	90.56
Non-prescribed revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.21
TOTAL REVENUE	59.87	61.56	63.25	73.51	86.47	100.11	107.92

Tariff revenue \$m 1/1/07

PQR	Service	Category	Tariff Description	Type	Unit	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
1	Price	Water	Residential	Volumetric	Variable price cap	\$kL	0.94	0.94	0.94	1.16	1.42	1.56	1.89
	Qty				kL	11,161,365	11,018,091	10,756,303	10,498,385	10,244,323	9,994,102	9,748,967	9,509,199
	Rev				\$m	10.53	10.39	10.15	12.15	14.54	15.61	16.75	17.97
2	Price	Water	Residential	No Connection	Fixed price cap	\$pa	40.75	40.75	40.75	50.00	61.34	67.47	74.22
	Qty				Cust	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044
	Rev				\$m	0.12	0.12	0.12	0.15	0.19	0.21	0.23	0.25
3	Price	Water	Residential	20 mm	Fixed price cap	\$pa	81.56	81.56	81.56	100.07	122.77	135.05	148.55
	Qty				Cust	51,629	51,884	52,390	52,918	53,459	53,987	54,511	55,034
	Rev				\$m	4.21	4.23	4.27	5.30	6.56	7.29	8.10	8.99
4	Price	Water	Residential	25 mm	Fixed price cap	\$pa	81.56	81.56	81.56	100.07	122.77	135.05	148.55
	Qty				Cust	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044
	Rev				\$m	0.09	0.09	0.09	0.10	0.13	0.14	0.16	0.17
5	Price	Water	Residential	32 mm	Fixed price cap	\$pa	209.03	209.03	209.03	256.46	314.65	346.11	380.72
	Qty				Cust	44	44	44	44	44	44	44	44
	Rev				\$m	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02
6	Price	Water	Residential	40 mm	Fixed price cap	\$pa	326.26	326.26	326.26	400.29	491.11	540.22	594.24
	Qty				Cust	14	14	14	14	14	14	14	14
	Rev				\$m	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01
7	Price	Water	Residential	50 mm	Fixed price cap	\$pa	509.83	509.82	509.82	625.50	767.42	844.16	928.57
	Qty				Cust	14	14	14	14	14	14	14	14
	Rev				\$m	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
8	Price	Water	Residential	75 mm	Fixed price cap	\$pa	1,147.08	1,147.07	1,147.07	1,407.33	1,726.65	1,899.31	2,089.24
	Qty				Cust	1	1	1	1	1	1	1	1
	Rev				\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Price	Water	Residential	80 mm	Fixed price cap	\$pa	1,305.24	1,305.23	1,305.23	1,601.38	1,964.72	2,161.19	2,377.31
	Qty				Cust	2	2	2	2	2	2	2	2
	Rev				\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
10	Price	Water	Residential	100 mm	Fixed price cap	\$pa	2,039.28	2,039.28	2,039.28	2,501.98	3,069.66	3,376.63	3,714.29
	Qty				Cust	1	1	1	1	1	1	1	1
	Rev				\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Price	Water	Residential	150 mm	Fixed price cap	\$pa	4,588.46	4,588.46	4,588.46	5,629.55	6,906.86	7,597.55	8,357.31
	Qty				Cust	-	-	-	-	-	-	-	-
	Rev				\$m	-	-	-	-	-	-	-	-
12	Price	Water	Non Residential	Volumetric	Variable price cap	\$kL	0.94	0.94	0.94	1.16	1.42	1.56	1.89
	Qty				kL	2,540,121	2,730,443	2,741,194	2,751,945	2,762,695	2,773,021	2,783,347	2,793,673
	Rev				\$m	2.40	2.58	2.59	3.18	3.92	4.33	4.78	5.28
13	Price	Water	Non Residential	No Connection	Fixed price cap	\$pa	40.75	40.75	40.75	50.00	61.34	67.47	74.22
	Qty				Cust	55	55	55	55	55	55	55	55
	Rev				\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Revenue forecast (price caps)

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Revenue Summary							
Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Tariff revenue	36.01	40.25	41.99	51.62	63.48	69.89	84.81
Total prescribed revenue	57.02	58.47	59.56	69.26	81.43	87.84	102.78
Revenue not collected	0.17	0.04	0.07	0.07	0.07	0.07	0.07
Net prescribed revenue	56.85	58.43	59.49	69.19	81.36	87.77	102.71
Revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	93.86
Non-prescribed revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.21
TOTAL REVENUE	59.87	61.56	63.25	73.51	86.47	100.11	107.92

14	Price	Water	Non Residential	20 mm	Fixed price cap	\$pa	81.56	81.56	81.56	100.07	122.77	135.05	148.55	163.41
	Qty					Cust	4,539	4,552	4,576	4,600	4,624	4,648	4,671	4,694
	Rev					\$m	0.37	0.37	0.37	0.46	0.57	0.63	0.69	0.77
15	Price	Water	Non Residential	25 mm	Fixed price cap	\$pa	81.56	81.56	81.56	100.07	122.77	135.05	148.55	163.41
	Qty					Cust	452	451	451	451	451	451	451	451
	Rev					\$m	0.04	0.04	0.04	0.05	0.06	0.06	0.07	0.07
16	Price	Water	Non Residential	32 mm	Fixed price cap	\$pa	209.03	209.03	209.03	256.46	314.65	346.11	380.72	418.79
	Qty					Cust	156	156	156	156	156	156	156	156
	Rev					\$m	0.03	0.03	0.03	0.04	0.05	0.05	0.06	0.07
17	Price	Water	Non Residential	40 mm	Fixed price cap	\$pa	326.26	326.26	326.26	400.29	491.11	540.22	594.24	653.67
	Qty					Cust	159	159	159	159	159	159	159	159
	Rev					\$m	0.05	0.05	0.05	0.06	0.08	0.09	0.09	0.10
18	Price	Water	Non Residential	50 mm	Fixed price cap	\$pa	509.83	509.82	509.82	625.50	767.42	844.16	926.57	1,021.43
	Qty					Cust	149	149	149	149	149	149	149	149
	Rev					\$m	0.08	0.08	0.08	0.09	0.11	0.13	0.14	0.15
19	Price	Water	Non Residential	75 mm	Fixed price cap	\$pa	1,147.08	1,147.07	1,147.07	1,407.33	1,726.65	1,899.31	2,089.24	2,298.17
	Qty					Cust	8	8	8	8	8	8	8	8
	Rev					\$m	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02
20	Price	Water	Non Residential	80 mm	Fixed price cap	\$pa	1,305.24	1,305.23	1,305.23	1,601.38	1,964.72	2,161.19	2,377.31	2,615.04
	Qty					Cust	42	42	42	42	42	42	42	42
	Rev					\$m	0.05	0.05	0.05	0.07	0.08	0.09	0.10	0.11
21	Price	Water	Non Residential	100 mm	Fixed price cap	\$pa	2,039.28	2,039.28	2,039.28	2,501.98	3,069.66	3,376.63	3,714.29	4,085.72
	Qty					Cust	38	38	38	38	38	38	38	38
	Rev					\$m	0.08	0.08	0.08	0.10	0.12	0.13	0.14	0.16
22	Price	Water	Non Residential	150 mm	Fixed price cap	\$pa	4,588.46	4,588.46	4,588.46	5,629.55	6,906.86	7,597.55	8,357.31	9,193.04
	Qty					Cust	1	1	1	1	1	1	1	1
	Rev					\$m	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01
23	Price	Sewerage	Residential	No Connection	Fixed price cap	\$pa	158.23	174.21	191.81	235.32	288.72	317.59	349.35	384.28
	Qty					Cust	2,535	2,535	2,535	2,535	2,535	2,535	2,535	2,535
	Rev					\$m	0.40	0.44	0.49	0.60	0.73	0.81	0.89	0.97
24	Price	Sewerage	Residential	Connected	Fixed price cap	\$pa	316.47	348.43	383.62	470.66	577.45	635.20	698.72	768.59
	Qty					Cust	44,939	45,152	45,574	46,180	46,796	47,235	47,722	48,366
	Rev					\$m	14.22	15.73	17.48	21.74	27.02	30.00	33.34	37.17
25	Price	Sewerage	Non Residential	No Connection	Fixed price cap	\$pa	158.23	174.21	191.81	235.32	288.72	317.59	349.35	384.28
	Qty					Cust	78	78	78	78	78	78	78	78
	Rev					\$m	0.01	0.01	0.01	0.02	0.02	0.02	0.03	0.03
26	Price	Sewerage	Non Residential	Connected	Fixed price cap	\$pa	316.47	348.43	383.62	470.66	577.45	635.20	698.72	768.59
	Qty					Cust	4,842	4,854	4,876	4,898	4,919	4,939	4,959	4,979
	Rev					\$m	1.53	1.69	1.87	2.31	2.84	3.14	3.46	3.83
27	Price	Sewerage	Non Residential	Volumetric	Variable price cap	\$kL	1.51	1.66	1.83	2.24	2.75	3.03	3.33	3.66
	Qty					kL	890,710	837,375	840,672	843,969	847,266	850,433	853,599	856,766
	Rev					\$m	1.34	1.39	1.54	1.89	2.33	2.57	2.84	3.14
28	Price	Trade waste		Annual Fee	Fixed price cap	\$pa	148.24	148.24	148.24	181.87	223.14	245.46	270.00	297.00
	Qty					Cust	422	504	630	788	984	1,230	1,254	1,254
	Rev					\$m	0.06	0.07	0.09	0.14	0.22	0.30	0.34	0.37
29	Price	Water	Fire Service	No Connection	Fixed price cap	\$pa	-	-	-	-	-	-	-	-
	Qty					Cust	-	-	-	-	-	-	-	-
	Rev					\$m	-	-	-	-	-	-	-	-

Revenue forecast (price caps)

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Revenue Summary							
Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Tariff revenue	36.01	40.25	41.99	51.62	63.48	69.89	84.81
Total prescribed revenue	57.02	58.47	59.56	69.26	81.43	87.84	102.78
Revenue not collected	0.17	0.04	0.07	0.07	0.07	0.07	0.07
Net prescribed revenue	56.85	58.43	59.49	69.19	81.36	87.77	102.71
Revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	93.86
Non-prescribed revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.21
TOTAL REVENUE	59.87	61.56	63.25	73.51	86.47	100.11	107.92

30	Price	Water	Fire Service	20 mm	Fixed price cap	\$pa	20.42	20.42	20.42	25.05	30.74	33.81	37.19	40.91
	Qty					Cust	161	159	159	159	159	159	159	159
	Rev					\$m	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01
31	Price	Water	Fire Service	25 mm	Fixed price cap	\$pa	20.42	20.42	20.42	25.05	30.74	33.81	37.19	40.91
	Qty					Cust	71	74	76	78	80	82	84	86
	Rev					\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	Price	Water	Fire Service	32 mm	Fixed price cap	\$pa	52.23	52.23	52.23	64.08	78.62	86.48	95.13	104.64
	Qty					Cust	53	56	56	56	56	56	56	56
	Rev					\$m	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01
33	Price	Water	Fire Service	40 mm	Fixed price cap	\$pa	81.58	81.58	81.58	100.09	122.80	135.08	148.59	163.45
	Qty					Cust	41	41	41	41	41	41	41	41
	Rev					\$m	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01
34	Price	Water	Fire Service	50 mm	Fixed price cap	\$pa	127.45	127.45	127.45	156.37	191.85	211.03	232.13	255.35
	Qty					Cust	378	384	390	396	402	408	414	420
	Rev					\$m	0.05	0.05	0.05	0.06	0.08	0.09	0.10	0.11
35	Price	Water	Fire Service	75 mm	Fixed price cap	\$pa	286.84	286.83	286.83	351.91	431.76	474.93	522.43	574.67
	Qty					Cust	14	12	12	12	12	12	12	12
	Rev					\$m	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01
36	Price	Water	Fire Service	80 mm	Fixed price cap	\$pa	326.28	326.28	326.28	400.31	491.14	540.25	594.28	653.71
	Qty					Cust	526	517	517	517	517	517	517	517
	Rev					\$m	0.17	0.17	0.17	0.21	0.25	0.28	0.31	0.34
37	Price	Water	Fire Service	100 mm	Fixed price cap	\$pa	509.82	509.81	509.81	625.48	767.40	844.14	928.56	1,021.41
	Qty					Cust	193	206	209	212	215	218	221	224
	Rev					\$m	0.10	0.11	0.11	0.13	0.16	0.18	0.21	0.23
38	Price	Water	Fire Service	150 mm	Fixed price cap	\$pa	1,147.10	1,147.09	1,147.09	1,407.36	1,726.68	1,899.35	2,089.28	2,298.21
	Qty					Cust	13	13	13	13	13	13	13	13
	Rev					\$m	0.01	0.01	0.01	0.02	0.02	0.02	0.03	0.03
39	Price	Water	Major Clients	Volumetric	Fixed price cap	\$KL	0.94	0.94	0.94	1.16	1.42	1.56	1.72	1.89
	Qty					KL	-	1,092,450	810,200	810,200	810,200	810,200	810,200	810,200
	Rev					\$m	-	1.03	0.76	0.94	1.15	1.27	1.39	1.53
40	Price	Water	Major Clients	20 mm	Fixed price cap	\$pa	-	81.56	81.56	100.07	122.77	135.05	148.55	163.41
	Qty					Cust	-	3	3	3	3	3	3	
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	
41	Price	Water	Major Clients	25 mm	Fixed price cap	\$pa	-	81.56	81.56	100.07	122.77	135.05	148.55	163.41
	Qty					Cust	-	1	1	1	1	1	1	
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	
42	Price	Water	Major Clients	32 mm	Fixed price cap	\$pa	-	209.03	209.03	256.46	314.65	346.11	380.72	418.79
	Qty					Cust	-	1	1	1	1	1	1	
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	
43	Price	Water	Major Clients	40 mm	Fixed price cap	\$pa	-	326.26	326.26	400.29	491.11	540.22	594.24	653.67
	Qty					Cust	-	3	3	3	3	3	3	
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	
44	Price	Water	Major Clients	50 mm	Fixed price cap	\$pa	-	509.82	509.82	625.50	767.42	844.16	928.57	1,021.43
	Qty					Cust	-	3	3	3	3	3	3	
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	

Revenue forecast (price caps)

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Revenue Summary							
Non-tariff revenue	21.01	18.22	17.57	17.64	17.95	17.94	17.97
Tariff revenue	36.01	40.25	41.99	51.62	63.48	69.89	84.81
Total prescribed revenue	57.02	58.47	59.56	69.26	81.43	87.84	102.78
Revenue not collected	0.17	0.04	0.07	0.07	0.07	0.07	0.07
Net prescribed revenue	56.85	58.43	59.49	69.19	81.36	87.77	102.71
Revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	90.56
Non-prescribed revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.21
TOTAL REVENUE	59.87	61.56	63.25	73.51	86.47	100.11	107.92

45	Price	Water	Major Clients	75 mm	Fixed price cap	\$pa	-	1,147.07	1,147.07	1,407.33	1,726.65	1,899.31	2,089.24	2,298.17
	Qty					Cust	-	1	1	1	1	1	1	1
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	Price	Water	Major Clients	80 mm	Fixed price cap	\$pa	-	1,305.23	1,305.23	1,601.38	1,964.72	2,161.19	2,377.31	2,615.04
	Qty					Cust	-	7	7	7	7	7	7	7
	Rev					\$m	-	0.01	0.01	0.01	0.01	0.02	0.02	0.02
47	Price	Water	Major Clients	100 mm	Fixed price cap	\$pa	-	2,039.28	2,039.28	2,501.98	3,069.66	3,376.63	3,714.29	4,085.72
	Qty					Cust	-	4	4	4	4	4	4	4
	Rev					\$m	-	0.01	0.01	0.01	0.01	0.01	0.01	0.02
48	Price	Water	Major Clients	150 mm	Fixed price cap	\$pa	-	4,588.46	4,588.46	5,629.55	6,906.86	7,597.55	8,357.31	9,193.04
	Qty					Cust	-	7	7	7	7	7	7	7
	Rev					\$m	-	0.03	0.03	0.04	0.05	0.05	0.06	0.06
49	Price	Sewerage	Major Clients	No Connection	Fixed price cap	\$pa	-	174.21	191.81	235.32	288.72	317.59	349.35	384.28
	Qty					Cust	-	5	5	5	5	5	5	5
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
50	Price	Sewerage	Major Clients	Connected	Fixed price cap	\$pa	-	348.43	383.62	470.66	577.45	635.20	698.72	768.59
	Qty					Cust	-	5	5	5	5	5	5	5
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
51	Price	Sewerage	Major Clients	Volumetric	Variable price cap	\$kL	-	1.77	1.95	2.39	2.93	3.23	3.55	3.90
	Qty					kL	-	77,000	87,000	87,000	87,000	87,000	87,000	87,000
	Rev					\$m	-	0.14	0.17	0.21	0.26	0.28	0.31	0.34
52	Price	Sewerage	Major Clients	Volumetric	Variable price cap	\$kL	-	1.48	1.63	2.00	2.46	2.70	2.97	3.27
	Qty					kL	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Rev					\$m	-	0.01	0.01	0.01	0.01	0.01	0.01	0.02
53	Price	Sewerage	Major Clients	Volumetric	Variable price cap	\$kL	-	0.46	0.50	0.62	0.76	0.84	0.92	1.01
	Qty					kL	-	100,000	95,250	95,250	95,250	95,250	95,250	95,250
	Rev					\$m	-	0.05	0.05	0.06	0.07	0.08	0.09	0.10
54	Price	Sewerage	Major Clients	Volumetric	Fixed price cap	\$kL	-	0.83	0.91	1.12	1.37	1.51	1.66	1.83
	Qty					kL	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	Rev					\$m	-	0.01	0.01	0.02	0.02	0.02	0.02	0.03
55	Price	Sewerage	Major Clients	Volumetric	Variable price cap	\$kL	-	1.74	1.91	2.35	2.88	3.16	3.48	3.83
	Qty					kL	-	121,000	121,000	121,000	121,000	121,000	121,000	121,000
	Rev					\$m	-	0.21	0.23	0.28	0.35	0.38	0.42	0.46
56	Price	Water	Major Clients	No Connection	Fixed price cap	\$pa	-	40.75	40.75	50.00	61.34	67.47	74.22	81.64
	Qty					Cust	-	3	3	3	3	3	3	3
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Price	Water	Major Clients	Volumetric	Variable price cap	\$kL	-	0.33	0.33	0.41	0.50	0.55	0.61	0.67
	Qty					kL	-	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
	Rev					\$m	-	0.53	0.53	0.65	0.80	0.88	0.97	1.07
58	Price	Sewerage	Major Clients	Volumetric	Variable price cap	\$kL	-	1.66	1.83	2.24	2.75	3.03	3.33	3.66
	Qty					kL	-	222,500	200,000	200,000	200,000	200,000	200,000	200,000
	Rev					\$m	-	0.37	0.37	0.45	0.55	0.61	0.67	0.73
59	Price	Water	Major Clients Fire Service	32 mm	Fixed price cap	\$pa	-	52.23	52.23	64.08	78.62	86.48	95.13	104.64
	Qty					Cust	-	1	1	1	1	1	1	1
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	Price	Water	Major Clients Fire Service	150 mm	Fixed price cap	\$pa	-	1,147.09	1,147.09	1,407.36	1,726.68	1,899.35	2,089.28	2,298.21
	Qty					Cust	-	1	1	1	1	1	1	1
	Rev					\$m	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Non-prescribed services

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Non Prescribed Services Summary								
Revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.27	5.21
Operating expenditure	2.34	3.22	3.13	3.11	3.09	3.12	3.31	3.24
Gross capital expenditure	1.35	4.60	1.99	0.90	0.59	1.80	0.38	0.34
Government contributions	-	-	-	-	-	-	-	-
Customer contributions	-	-	-	-	-	-	-	-
Net capital expenditure - non-prescribed	1.35	4.60	1.99	0.90	0.59	1.80	0.38	0.34
Gifted Assets	-	-	-	-	-	-	-	-
Proceeds from disposals	0.02	0.07	0.07	-	0.02	0.04	0.05	0.06

Total Non Prescribed Services

\$m, 1/1/07

Resource Recovery Facility								
Revenue	1.95	2.09	2.68	3.21	3.93	3.59	3.81	3.65
Operating expenditure	1.14	1.70	1.92	1.86	1.91	1.86	2.02	1.93
Gross capital expenditure	0.90	4.49	1.61	0.77	0.36	1.21	0.19	0.05
Government contributions	-	-	-	-	-	-	-	-
Customer contributions	-	-	-	-	-	-	-	-
Net capital expenditure	0.90	4.49	1.61	0.77	0.36	1.21	0.19	0.05
Gifted Assets	-	-	-	-	-	-	-	-
Proceeds from disposals	-	0.04	0.05	-	0.02	0.02	0.03	0.02

Agribusiness								
Revenue	1.07	1.04	1.08	1.11	1.18	1.35	1.46	1.56
Operating expenditure	1.20	1.52	1.21	1.25	1.18	1.26	1.29	1.32
Gross capital expenditure	0.46	0.10	0.38	0.13	0.23	0.59	0.19	0.29
Government contributions	-	-	-	-	-	-	-	-
Customer contributions	-	-	-	-	-	-	-	-
Net capital expenditure	0.46	0.10	0.38	0.13	0.23	0.59	0.19	0.29
Gifted Assets	-	-	-	-	-	-	-	-
Proceeds from disposals	0.02	0.04	0.02	-	-	0.02	0.03	0.03

Non-prescribed services

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Non Prescribed Services Summary								
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue	3.02	3.13	3.76	4.32	5.11	4.94	5.27	5.21
Operating expenditure	2.34	3.22	3.13	3.11	3.09	3.12	3.31	3.24
Gross capital expenditure	1.35	4.60	1.99	0.90	0.59	1.80	0.38	0.34
Government contributions	-	-	-	-	-	-	-	-
Customer contributions	-	-	-	-	-	-	-	-
Net capital expenditure - non-prescribed	1.35	4.60	1.99	0.90	0.59	1.80	0.38	0.34
Gifted Assets	-	-	-	-	-	-	-	-
Proceeds from disposals	0.02	0.07	0.07	-	0.02	0.04	0.05	0.06

Cash, debt and tax assumptions

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FIRST REG PERIOD				SECOND REG PERIOD				
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2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
				1	2	3	4	5

Finance and tax summary

Opening cash balance	17.93	10.64	40.38	25.81	11.82	11.02	10.29	10.24	10.23
Interest earned	0.98	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Opening debt balance	-	-	14.00	29.00	144.00	192.00	205.00	216.00	249.50
Interest incurred	-	0.10	1.05	6.49	12.60	14.89	15.79	17.46	19.54
Book depreciation	17.15	17.78	17.68	18.86	21.93	21.77	21.81	22.39	23.02
Tax depreciation - existing	44.92	45.83	43.45	34.69	35.59	36.48	36.37	36.44	34.25
Tax depreciation - new					1.60	4.10	6.20	8.97	12.22
Tax losses brought forward		112.01			172.90				

Cash and Debt

\$m, 1/1/07

Opening cash balance	17.93	10.64	40.38	25.81	11.82	11.02	10.29	10.24	10.23
Interest earned	0.98	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69
Opening debt balance	-	-	14.00	29.00	144.00	192.00	205.00	216.00	249.50
Interest incurred	-	0.10	1.05	6.49	12.60	14.89	15.79	17.46	19.54

Depreciation

\$m, MOD

Tax losses brought forward (enter a positive value)		112.01			172.90				
Book depreciation	17.15	17.78	17.68	18.86	21.93	21.77	21.81	22.39	23.02
Tax depreciation - existing assets	44.92	45.83	43.45	34.69	35.59	36.48	36.37	36.44	34.25

Cash, debt and tax assumptions

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FIRST REG PERIOD					SECOND REG PERIOD				
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2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
				1	2	3	4	5

Tax depreciation on capital expenditure (incl non-prescribed)

Water

Asset life (years)	22.00
Depreciation method	Straight Line

Gross capital expenditure	16.57	13.30	17.74	19.43	25.17
Tax Depreciation - new	0.38	1.06	1.76	2.61	3.62

Waste

Asset life (years)	19.00
Depreciation method	Straight Line

Gross capital expenditure	36.72	16.65	22.16	33.67	34.84
Tax Depreciation - new	0.97	2.37	3.39	4.86	6.66

Corporate

Asset life (years)	8.00
Depreciation method	Straight Line

Gross capital expenditure	3.64	2.31	2.56	3.79	2.73
Tax Depreciation - new	0.23	0.60	0.90	1.30	1.71

Unregulated

Asset life (years)	17.00
Depreciation method	Straight Line

Gross capital expenditure	0.90	0.59	1.80	0.38	0.34
Tax Depreciation - new	0.03	0.07	0.14	0.20	0.23

Reconciliation to Water Plan (prescribed services only)

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FIRST REG PERIOD			SECOND REG PERIOD			
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2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Summary - Template

Revenue	69.19	81.36	87.77	94.84	102.71
Operating expenditure	51.10	55.39	55.54	56.81	57.07
Gross capital expenditure	56.93	32.26	42.45	56.89	62.74
Government contributions	-	0.39	6.80	0.39	-
Customer contributions	1.37	4.07	4.29	1.91	16.92
Net capital expenditure	55.56	27.80	31.37	54.58	45.82
Gifted Assets	2.50	2.50	2.50	2.50	2.50
Proceeds from disposals	0.53	0.48	0.68	0.97	0.53
Adjustments from 1st regulatory period	-	-	-	-	-

Summary - Water Plan

Source page(s) in WP

	WATER PLAN FORECAST					
Revenue	69.19	81.36	87.77	94.84	102.71	n/a
Operating expenditure	51.10	55.39	55.54	56.81	57.07	9,13,16,88,90
Gross capital expenditure	56.93	32.26	42.45	56.89	62.74	17,95
Government contributions	-	0.39	6.80	0.39	-	17,95,124,125
Customer contributions	1.37	4.07	4.29	1.91	16.92	17,95,124,125
Net capital expenditure on new obligations	55.56	27.80	31.37	54.58	45.82	
Gifted Assets	2.50	2.50	2.50	2.50	2.50	n/a
Proceeds from disposals	0.53	0.48	0.68	0.97	0.53	122
Adjustments from 1st regulatory period						n/a

Variations

Revenue	-	-	-	-	-
Operating expenditure	-	-	-	-	-
Gross capital expenditure	-	-	-	-	-
Government contributions	-	-	-	-	-
Customer contributions	-	-	-	-	-
Net capital expenditure on new obligations	-	-	-	-	-
Gifted Assets	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-
Adjustments from 1st regulatory period	-	-	-	-	-

Revenue requirement detail

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FIRST REG PERIOD					SECOND REG PERIOD				
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	

Revenue requirement and RAV outputs

Revenue requirement									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating expenditure				51.10	55.39	55.54	56.81	57.07	
Return on assets to 30/6/08				16.87	16.44	16.01	15.57	15.14	
Regulatory depreciation of assets to 30/6/08				7.81	7.81	7.81	7.81	7.81	
Return on new assets				1.40	3.47	4.87	6.91	9.26	
Regulatory depreciation of new assets				0.67	1.70	2.45	3.46	4.58	
Adjustments from last period				-	-	-	-	-	
Benchmark tax liability				-	-	-	-	-	
Total revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	90.56	93.86	

Revenue requirement detail									
WACC detail									
Risk Free Rate (Real)									2.6%
Debt Premium									1.1%
Equity Premium									6.0%
Equity Beta									75.0%
Gearing (Debt/Assets)									60.0%
Forecast Inflation									3.2%
Franking credit value									0.5
'Vanilla' After Tax WACC (Real)									5.1%
Existing assets detail									
Opening asset base	167.70	179.39	172.27	210.56	334.9	326.53	318.24	309.75	300.98
plus capital expenditure	24.03	43.08	65.88	135.79					
less customer contributions	4.27	1.67	0.66	0.50					
less government contributions	-	39.72	17.09	-					
less regulatory depreciation	7.26	8.12	9.11	10.20	7.81	7.81	7.81	7.81	7.81
less disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53
Closing asset base	179.39	172.27	210.56	334.86	326.53	318.24	309.75	300.98	292.64
Average asset base	173.55	175.83	191.42	272.71	330.70	322.38	314.00	305.37	296.81
Return on assets	9.17	10.32	11.92	13.84	16.87	16.44	16.01	15.57	15.14
Return on and of existing assets	16.44	18.45	21.03	24.04	24.67	24.25	23.82	23.38	22.95

Revenue requirement detail

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Revenue requirement and RAV outputs

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue requirement									
Operating expenditure				51.10	55.39	55.54	56.81	57.07	
Return on assets to 30/6/08				16.87	16.44	16.01	15.57	15.14	
Regulatory depreciation of assets to 30/6/08				7.81	7.81	7.81	7.81	7.81	
Return on new assets				1.40	3.47	4.87	6.91	9.26	
Regulatory depreciation of new assets				0.67	1.70	2.45	3.46	4.58	
Adjustments from last period				-	-	-	-	-	
Benchmark tax liability				-	-	-	-	-	
Total revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	90.56	93.86	

New capital expenditure									
Opening asset base				-	54.89	80.99	109.91	161.04	
plus capital expenditure				56.93	32.26	42.45	56.89	62.74	
less customer contributions				1.37	4.07	4.29	1.91	16.92	
less government contributions				-	0.39	6.80	0.39	-	
less regulatory depreciation				0.67	1.70	2.45	3.46	4.58	
less disposals (all disposals included in existing assets)									
Closing asset base				54.89	80.99	109.91	161.04	202.27	
Average asset base				27.45	67.94	95.45	135.48	181.65	
Return on assets (new)				1.40	3.47	4.87	6.91	9.26	
Return on and of new assets				2.07	5.16	7.32	10.37	13.85	
Rolled forward RAV									
Opening asset base	167.70	179.39	172.27	210.56	334.86	381.42	399.23	419.67	462.02
plus capital expenditure	24.03	43.08	65.88	135.79	56.93	32.26	42.45	56.89	62.74
less customer contributions	4.27	1.67	0.66	0.50	1.37	4.07	4.29	1.91	16.92
less government contributions	-	39.72	17.09	-	-	0.39	6.80	0.39	-
less regulatory depreciation	7.26	8.12	9.11	10.20	8.48	9.51	10.26	11.26	12.39
less disposals	0.81	0.69	0.73	0.79	0.53	0.48	0.68	0.97	0.53
Rolled forward RAV	179.39	172.27	210.56	334.86	381.42	399.23	419.67	462.02	494.91

Revenue requirement detail

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2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Revenue requirement and RAV outputs

Revenue requirement									
Operating expenditure					51.10	55.39	55.54	56.81	57.07
Return on assets to 30/6/08					16.87	16.44	16.01	15.57	15.14
Regulatory depreciation of assets to 30/6/08					7.81	7.81	7.81	7.81	7.81
Return on new assets					1.40	3.47	4.87	6.91	9.26
Regulatory depreciation of new assets					0.67	1.70	2.45	3.46	4.58
Adjustments from last period					-	-	-	-	-
Benchmark tax liability					-	-	-	-	-
Total revenue requirement					55.14	58.79	60.80	77.84	84.80
					86.67	90.56	93.86		

Benchmark tax liability									
Parameters									
Forecast inflation	2.0%	2.4%	3.0%	2.4%	3.2%	3.2%	3.2%	3.2%	3.2%
Inflation factor	0.949	0.971	1.000	1.024	1.057	1.090	1.124	1.160	1.196
Gearing	60%	60%	60%	60%	60%	60%	60%	60%	60%
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%	30%
Risk free rate (real)				2.6%					
Debt premium				1.1%					
Cost of debt (nominal)				7.0%					
Franking credit value				0.5					
Taxation calculation									
\$m, 1/1/07									
Revenue requirement					77.84	84.80	86.67	90.56	93.86
Customer contributions					1.37	4.07	4.29	1.91	16.92
Government contributions					-	0.39	6.80	0.39	-
Gifted assets					2.50	2.50	2.50	2.50	2.50
Operating & maintenance expenditure					51.10	55.39	55.54	56.81	57.07
Average RAV					358.14	390.33	409.45	440.84	478.46
Debt (60% of ARAV)					214.89	234.20	245.67	264.50	287.08
\$m (MOD)									
Revenue requirement					82.25	92.43	97.44	105.02	112.27
Customer contributions					1.45	4.43	4.82	2.22	20.24
Government contributions					-	0.43	7.64	0.45	-
Gifted assets					2.64	2.72	2.81	2.90	2.99
Operating & maintenance expenditure					53.99	60.37	62.43	65.88	68.26
Tax depreciation (new)					1.60	4.10	6.20	8.97	12.22
Tax depreciation (existing)					35.59	36.48	36.37	36.44	34.25
Interest					15.86	17.83	19.30	21.43	23.99
Tax losses brought forward					172.90	193.60	212.79	232.03	254.61
Before tax net income					(193.60)	(212.79)	(232.03)	(254.61)	(257.83)
Benchmark gross tax liability					-	-	-	-	-
Franking benefit					-	-	-	-	-
Benchmark tax liability (MOD)					-	-	-	-	-
Benchmark tax liability (real)					-	-	-	-	-

Revenue requirement detail

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Revenue requirement and RAV outputs

Revenue requirement									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Operating expenditure				51.10	55.39	55.54	56.81	57.07	
Return on assets to 30/6/08				16.87	16.44	16.01	15.57	15.14	
Regulatory depreciation of assets to 30/6/08				7.81	7.81	7.81	7.81	7.81	
Return on new assets				1.40	3.47	4.87	6.91	9.26	
Regulatory depreciation of new assets				0.67	1.70	2.45	3.46	4.58	
Adjustments from last period				-	-	-	-	-	
Benchmark tax liability				-	-	-	-	-	
Total revenue requirement	55.14	58.79	60.80	77.84	84.80	86.67	90.56	93.86	

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FIRST REG PERIOD				SECOND REG PERIOD			
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Dividends - whole of business \$m, MOD

Dividend plus tax equivalents benchmark 65%

Revenue from ordinary activities

Prescribed revenue	55.37	58.47	61.01	73.18	88.75	98.75	110.06	122.94
(less income not received)	0.17	0.04	0.07	0.07	0.08	0.08	0.08	0.08
Government and developer contributed assets	4.44	4.27	2.56	2.64	2.72	2.81	2.90	2.99
Developer cash contributions	1.62	0.66	0.51	1.45	4.43	4.82	2.22	20.24
Government cash contributions	38.57	17.09	-	-	0.43	7.64	0.45	-
Investment income	0.67	(1.51)	(0.67)	0.18	0.26	0.36	0.39	0.43
Proceeds from asset disposal	0.69	0.80	0.89	0.56	0.54	0.81	1.18	0.70
Other non-prescribed revenue	2.93	3.13	3.85	4.57	5.57	5.56	6.11	6.23
Revenue adjustments ¹	-	-	-	-	-	-	-	-
Total revenue from ordinary activities	104.13	82.86	68.09	82.50	102.63	120.67	123.24	153.46

Expenditure from ordinary activities

Operating expenditure (prescribed)	38.46	42.09	44.14	53.99	60.37	62.43	65.88	68.26
Operating expenditure (non-prescribed)	2.27	3.22	3.21	3.28	3.36	3.51	3.83	3.88
Book depreciation	17.78	17.68	18.86	21.93	21.77	21.81	22.39	23.02
Interest expense	0.10	0.51	8.26	15.49	18.25	19.61	22.48	25.34
Written down value of assets disposed	1.29	1.10	0.93	0.70	0.51	0.94	1.12	0.60
Expenditure adjustments ²	-	-	-	-	-	-	-	-
Total expenditure from ordinary activities	59.89	64.60	75.39	95.40	104.27	108.30	115.70	121.10

Profit from ordinary activities (before tax)

	44.24	18.27	(7.31)	(12.90)	(1.64)	12.37	7.53	32.36
Prima facie income tax expense	13.27	5.48	(2.19)	(3.87)	(0.49)	3.71	2.26	9.71
Return to government	28.75	11.87	-	-	-	8.04	4.90	21.03
Dividend payments (offset)	28.75	11.87	-	-	-	8.04	4.90	21.03
Retained revenue	2.21	0.91	(5.11)	(9.03)	(1.14)	0.62	0.38	1.62

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2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Adjusted cash flow statement								
\$m, MOD								
Operating Activities								
Total prescribed revenue	55.37	58.47	61.01	73.18	88.75	98.75	110.06	122.94
Non-prescribed revenue	2.93	3.13	3.85	4.57	5.57	5.56	6.11	6.23
Customer cash contributions	1.62	0.66	0.51	1.45	4.43	4.82	2.22	20.24
Government cash contributions	38.57	17.09	-	-	0.43	7.64	0.45	-
Revenue not collected	(0.17)	(0.04)	(0.07)	(0.07)	(0.08)	(0.08)	(0.08)	(0.08)
Payments to suppliers and employees (opex)	(40.73)	(45.31)	(47.35)	(57.27)	(63.74)	(65.94)	(69.72)	(72.14)
Income tax paid	-	-	-	-	-	-	-	-
Interest received	0.67	(1.51)	(0.67)	0.18	0.26	0.36	0.39	0.43
Interest paid	(0.10)	(0.51)	(8.26)	(15.49)	(18.25)	(19.61)	(22.48)	(25.34)
Operating Adjustments ³	-	-	-	-	-	-	-	-
Net cash inflows from operating activities	58.16	31.97	9.03	6.54	17.38	31.50	26.96	52.29
Investing activities								
Payment for property, plant, equipment and WIP (capex)	(43.15)	(70.48)	(141.15)	(61.10)	(35.80)	(49.75)	(66.40)	(75.46)
Proceeds from sale of property, plant and equipment	0.69	0.80	0.89	0.56	0.54	0.81	1.18	0.70
Investing adjustments ⁴	-	-	-	-	-	-	-	-
Net cash (outflow) from investing activities	(42.46)	(69.68)	(140.26)	(60.55)	(35.26)	(48.94)	(65.22)	(74.76)
Dividend payable	(28.75)	(11.87)	-	-	-	(8.04)	(4.90)	(21.03)
Net cash (outflow) for cash or debt	(13.05)	(49.58)	(131.23)	(54.01)	(17.88)	(25.48)	(43.16)	(43.50)

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2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Adjusted cash and debt

Target cash balance **5%**

Target Cash (\$)	2.77	2.92	3.05	3.66	4.44	4.94	5.50	6.15
Cash at the beginning of the financial year	10.33	2.77	2.92	3.05	3.66	4.44	4.94	5.50
Increase in Cash	(7.56)	0.16	0.13	0.61	0.78	0.50	0.57	0.64
Cash at the end of the financial year	2.77	2.92	3.05	3.66	4.44	4.94	5.50	6.15
Debt at the beginning of the financial year	-	5.48	55.21	186.57	241.19	259.84	285.82	329.55
Increase in Debt	5.48	49.73	131.36	54.62	18.65	25.98	43.72	44.15
Debt at the end of the financial year	5.48	55.21	186.57	241.19	259.84	285.82	329.55	373.70

TAX PAYABLE CALCULATION

Revenue from ordinary activities	65.56	65.78	68.09	82.50	102.21	113.02	122.78	153.46
less Opex	(40.73)	(45.31)	(47.35)	(57.27)	(63.74)	(65.94)	(69.72)	(72.14)
less Interest	(0.10)	(0.51)	(8.26)	(15.49)	(18.25)	(19.61)	(22.48)	(25.34)
less Tax Depreciation	(45.83)	(43.45)	(34.69)	(37.19)	(40.57)	(42.57)	(45.41)	(46.47)
less Tax Losses brought forward	(112.01)	(133.11)	(156.60)	(172.90)	(200.35)	(220.70)	(235.80)	(250.62)
Taxable Income	(133.11)	(156.60)	(178.82)	(200.35)	(220.70)	(235.80)	(250.62)	(241.11)
Tax Payable	-	-	-	-	-	-	-	-

Interest adjustments

Marginal Interest Rate - Borrowings : **6.33%**

Marginal Interest Rate - Cash : **5.83%**

Forecast Cash (opening)	10.33	40.38	26.44	12.49	12.01	11.57	11.88	12.23
Adjusted Cash	10.33	2.77	2.92	3.05	3.66	4.44	4.94	5.50
Forecast Interest Earned	0.67	0.69	0.70	0.73	0.75	0.77	0.80	0.82
Adjusted Interest Earned	0.67	(1.51)	(0.67)	0.18	0.26	0.36	0.39	0.43
Forecast Debt (opening)	-	14.00	29.71	152.15	209.26	230.47	250.49	298.45
Adjusted Debt	-	5.48	55.21	186.57	241.19	259.84	285.82	329.55
Forecast Interest Paid	0.10	1.05	6.65	13.31	16.23	17.75	20.24	23.37
Adjusted Interest Paid	0.10	0.51	8.26	15.49	18.25	19.61	22.48	25.34

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Financial indicators

Funds from operations (\$m)

Total prescribed revenue	55.37	58.47	61.01	73.18	88.75	98.75	110.06	122.94
plus non-prescribed revenue	2.93	3.13	3.85	4.57	5.57	5.56	6.11	6.23
less Income not received	(0.17)	(0.04)	(0.07)	(0.07)	(0.08)	(0.08)	(0.08)	(0.08)
less Total operating expenditure	(40.73)	(45.31)	(47.35)	(57.27)	(63.74)	(65.94)	(69.72)	(72.14)
less Income tax paid	-	-	-	-	-	-	-	-
plus Interest revenue	0.67	(1.51)	(0.67)	0.18	0.26	0.36	0.39	0.43
less Interest expense	(0.10)	(0.51)	(8.26)	(15.49)	(18.25)	(19.61)	(22.48)	(25.34)

Funds from operations	17.97	14.23	8.52	5.09	12.53	19.03	24.29	32.05
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FFO interest cover (times)

FFO	17.97	14.23	8.52	5.09	12.53	19.03	24.29	32.05
plus Interest expense	0.10	0.51	8.26	15.49	18.25	19.61	22.48	25.34
less Interest revenue	(0.67)	1.51	0.67	(0.18)	(0.26)	(0.36)	(0.39)	(0.43)
divided by Net interest expense	(0.57)	2.02	8.93	15.32	17.98	19.25	22.09	24.91

Min 1.5-3.0 times	(30.56)	8.06	1.95	1.33	1.70	1.99	2.10	2.29
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FFO/Net debt

FFO	17.97	14.23	8.52	5.09	12.53	19.03	24.29	32.05
(divided by Non-current interest bearing liabilities)	-	5.48	55.21	186.57	241.19	259.84	285.82	329.55
plus Current interest bearing liabilities	-	-	-	-	-	-	-	-
less cash assets)	(10.33)	(2.77)	(2.92)	(3.05)	(3.66)	(4.44)	(4.94)	(5.50)

Min 10%	-173.9%	524.5%	16.3%	2.8%	5.3%	7.5%	8.6%	9.9%
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Gearing (Net Debt to RAV)

Interest bearing liabilities	-	5.48	55.21	186.57	241.19	259.84	285.82	329.55
less cash assets	(10.33)	(2.77)	(2.92)	(3.05)	(3.66)	(4.44)	(4.94)	(5.50)
divided by Average regulatory asset base	170.73	191.42	279.36	378.42	425.42	460.32	511.22	572.33

Max 45%-60%	-6.1%	1.4%	18.7%	48.5%	55.8%	55.5%	54.9%	56.6%
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Internal financing ratio (%)

FFO	17.97	14.23	8.52	5.09	12.53	19.03	24.29	32.05
less Dividends	(28.75)	(11.87)	-	-	-	(8.04)	(4.90)	(21.03)
(divided by Gross capital expenditure)	43.15	70.48	141.15	61.10	35.80	49.75	66.40	75.46
less Customer cash contributions	(1.62)	(0.66)	(0.51)	(1.45)	(4.43)	(4.82)	(2.22)	(20.24)
less Government cash contributions)	(38.57)	(17.09)	-	-	(0.43)	(7.64)	(0.45)	-

Min 35%	-364.4%	4.5%	6.1%	8.5%	40.5%	29.5%	30.4%	19.9%
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Financial indicators

Gippsland Water

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v1.4.1

FIRST REG PERIOD			SECOND REG PERIOD				
2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13

Service Standards and GSLs

Gippsland Water

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FIRST REG PERIOD					SECOND REG PERIOD				
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2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

ACTUALS	APPROVED		FORECAST						
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3 Year Act Avg 5 Year Fcst Avg

Water

Unplanned water supply interruptions (per 100km)
 Average time taken to attend bursts and leaks (priority 1)
 Average time taken to attend bursts and leaks (priority 2)
 Average time taken to attend bursts and leaks (priority 3)
 Unplanned water supply interruptions restored within 5 hours (per cent)
 Planned water supply interruptions restored within 5 hours (per cent)
 Average unplanned customer minutes off water supply
 Average planned customer minutes off water supply
 Average unplanned frequency of water supply interruptions
 Average planned frequency of water supply interruptions
 Average duration of unplanned water supply interruptions (minutes)
 Average duration of planned water supply interruptions (minutes)
 Number of customers experiencing more than 5 unplanned water supply interruptions in the year
 Unaccounted for water

54.00	40.97	12.56	55.00	55.00	45.00	45.00	45.00	45.00	45.00
35.00	79.98	26.82	40.00	40.00	40.00	40.00	40.00	40.00	40.00
120.00	423.79	129.35	150.00	150.00	150.00	150.00	150.00	150.00	150.00
3535.00	NR	1693.77	2400.00	2300.00	2300.00	2300.00	2300.00	2300.00	2300.00
99.23	77.90	98.39	97.80	97.80	97.80	97.80	97.80	97.80	97.80
NR	72.32	87.45	87.00	87.00	87.00	87.00	87.00	87.00	87.00
6.32	15.17	6.26	8.00	8.00	8.80	8.80	8.80	8.80	8.80
NR	25.18	16.04	65.40	65.40	40.00	40.00	40.00	40.00	40.00
0.06	0.14	0.07	0.07	0.07	0.09	0.09	0.09	0.09	0.09
NR	0.12	0.12	0.50	0.50	0.50	0.50	0.50	0.50	0.50
101.00	110.79	83.50	118.70	118.70	118.70	118.70	118.70	118.70	118.70
NR	214.09	136.22	130.80	130.80	130.80	130.80	130.80	130.80	130.80
NR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16.90	10.50	11.90	16.00	15.00	14.50	14.50	14.30	14.20	14.10

35.8	45.0
47.3	40.0
224.4	150.0
2614.4	2300.0
91.8	97.8
79.9	87.0
9.2	8.8
20.6	40.0
0.1	0.1
0.1	0.5
98.4	118.7
175.2	130.8
0.0	0.0
13.1	14.3

Sewerage

Sewerage blockages (per 100km)
 Average time to attend sewer spills and blockages (minutes)
 Average time to rectify a sewer blockage (minutes)
 Spills contained within 5 hours (per cent)
 Customers receiving more than 3 sewer blockages in the year

28.00	34.68	16.85	25.00	25.00	25.00	25.00	25.00	25.00	25.00
30.00	NR	151.88	35.00	35.00	35.00	35.00	35.00	35.00	35.00
117.00	NR	94.18	130.00	130.00	130.00	130.00	130.00	130.00	130.00
99.58	100.00	100.00	98.00	98.00	98.00	98.00	98.00	98.00	98.00
NR	NR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

26.5	25.0
90.9	35.0
105.6	130.0
99.9	98.0
0.0	0.0

Customer service

Complaints to EWOV
 Telephone calls answered within 30 seconds

0.60	0.10	0.12	0.70	0.70	0.70	0.70	0.70	0.70	0.70
80.00	NR	88.59	80.00	80.00	80.00	80.00	80.00	80.00	80.00

0.3	0.7
84.3	80.0

Minimum flow rates

20mm	20
25mm	35
32mm	60
40mm	90
50mm	160

Additional service standards

Population receiving water meeting E.coli standards (per cent)
 Population receiving water meeting Disinfection by-products standards (per cent)
 EPA Discharge Quality licence compliance (per cent)
 Population receiving water meeting Turbidity standards (per cent)
 CO2 / Green energy target
 Recycled water target
 Stabilised Biosolids reuse
 Sewer backlog connections
 CTWSS Connections

99.81	99.99	100	99	100	100	100	100	100	100
100	99.88	99.57	99	100	100	100	100	100	100
99.6	99.11	99.2	100	100	100	100	100	100	100
100	100	100	100	100	100.00	100	100	100	100
0	0	0	0	0	TBD	TBD	TBD	TBD	TBD
0	0	0	0	0	10%	20%	20%	20%	20%
0	0	0	0	0.00	100%	100%	100%	100%	100%
0	0	0	0	0	0	17	16	15	5
0	0	0	0	0	330	0	0	77	0

99.9333333	100
99.8166667	100
99.3033333	100
100	100
0	
0	0.18
0	1
0	10.6
0	81.4