

Cost drivers

What influences our expenditure and your bills?



Our bills and prices

We're funded by our customers

Our prices are set every 5 years in our Price Submission

Bills vary for each water corporation

We work hard to keep our bills as stable as we can





Operating costs

The day to day costs of running the business:



Drinking water treatment



Employee costs



Wastewater collection + treatment



IT + customer service functions



Energy consumption



Asset maintenance



Chemicals + treatment supplies



Operational technology costs



Operating costs

Key considerations for forecasting



Raw water quality +
wastewater composition



Climate change



Environmental +
regulatory obligations



Technology



Balance between preventative
+ reactive maintenance



Growth



Age of assets

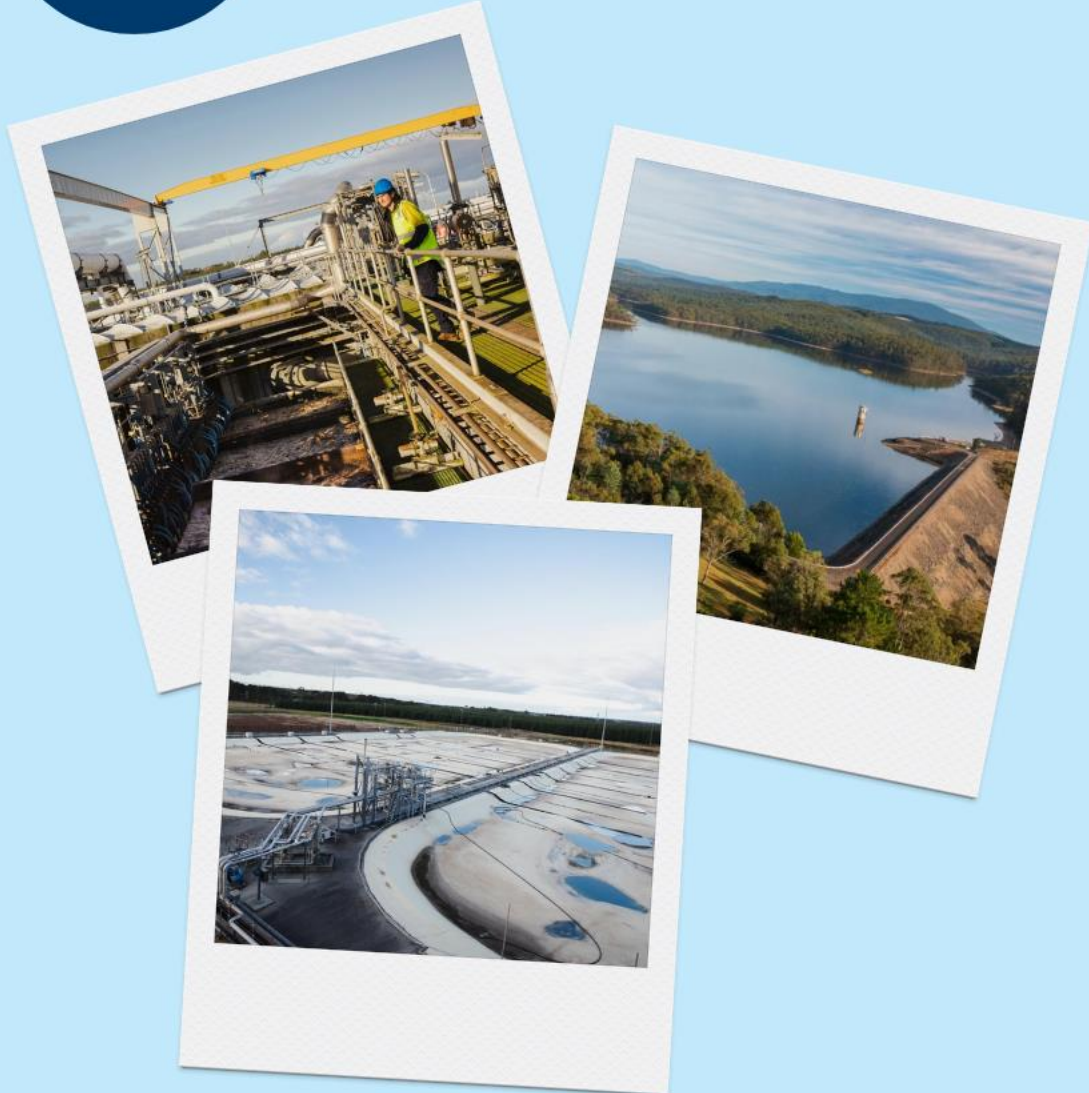


Market prices



Capital costs

We must continually invest in our infrastructure, such as...



Water + wastewater treatment plants

Pipelines and pumping stations

Sewer networks

Reservoirs + storage systems

Digital + monitoring systems



Capital costs

Key considerations for forecasting:

Population growth + demand forecasts

Renewing ageing assets

Long term resilience + service improvements

Compliance requirements

Climate change

Technology advancements





Population and demand forecasts

Population growth and development trends

Changing customer water use patterns

Industrial and commercial needs

Future supply and capacity requirements





Environmental and regulatory obligations

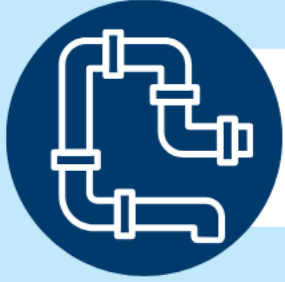
Drinking water quality standards

Environmental protection requirements

Climate resilience + emergency preparedness

Compliance with government regulations





Asset condition and renewal needs

Age + condition of infrastructure

Risk of asset failures

Planned renewals + replacements

Balancing current + future costs





Financial sustainability

Prudent debt and financing costs

Maintaining cash reserves

Stable pricing over time

Funding future infrastructure needs





Our starting point: higher prices

Increase predicted in Price Submission 2023-28: \$46.90 (2.95%) per year from 2028, or a one-off upfront increase in 2028-29 of \$145.13 (9.73%)

Work to drive costs down has reduced the impact

Our early modelling predicts \$44.78 (2.87%) per year from 2028, or a one-off upfront increase in 2028-29 of \$130.36 (8.85%)

Any spend you recommend as a panel will be in addition to this increase





Safety and
Wellbeing



Customer
Focused



Integrity and
Respect



Accountability



Collaboration



Innovation