

### WHAT AM I PAYING FOR?

#### Operating Expenditure (OPEX)

OPEX is the cost of running the day to day operations of the organisation. The expenditure included in the draft Water Plan is required to support the business as usual (BAU) and new obligations for Westernport Water, as well as delivery of the organisation's strategic initiatives.

Operating Expenditure Summary (\$1/7/07m)	2008-09	2009-10	2010-11	2011-12	2012-13
Business as Usual	8.47	8.46	8.80	9.22	9.11
New Obligations	0.22	0.06	0.20	0.13	0.17
<b>Total OPEX</b>	<b>8.69</b>	<b>8.52</b>	<b>9.00</b>	<b>9.35</b>	<b>9.28</b>

All figures exclude CPI

Total OPEX includes:

- ◆ Improving water quality through upgraded raw water quality management, treatment and distribution system operation and maintenance;
- ◆ Improving customer service and system performance;
- ◆ Increased focus on preventative maintenance; and
- ◆ Implementing sustainability principles and seeking to reduce environmental impact.
- ◆ New obligations including:
  - Introducing new service standards
  - Increased audit costs
  - Management plans for sewer systems
  - Assessment of environmental impacts due to river and aquifer extraction
  - Fluoridisation – adding fluoride to water

#### Capital Expenditure (CAPEX)

Capital Expenditure Summary (\$1/1/07m)	2008-09	2009-10	2010-11	2011-12	2012-13
Business as Usual	2.40	3.65	16.27	3.86	2.23
New Obligations	0.30	0.15	0.05	0.05	0.05
<b>Total CAPEX</b>	<b>8.69</b>	<b>8.52</b>	<b>9.00</b>	<b>9.35</b>	<b>9.28</b>

All figures exclude CPI

Total CAPEX includes:

- ◆ Water Security Projects including:
  - Bass River pipeline duplication
  - Major water supply security project (2009/2010 and 2010/2011)
  - Extension of Lance Creek pipeline to Candowie
  - Feasibility study into de-salination
  - Under channel pipeline – re-positioning existing pipeline
- ◆ Water Quality Projects including:
  - Bass River Pipeline Extension to treatment plant
  - Water quality improvement (2009/2010 to 2011/2012)
  - Strategic land purchases
  - Candowie wetland development