



Our Reference: LGA100659 / AH : VN

20 June 2013

Mr Richard Webster
Senior Regulatory Officer
Essential Services Commission of SA
Level 8, 50 Pirie Street
ADELAIDE SA 5000

Dear Richard

Draft Regulatory Information Requirements Guideline - CWMS Committee Response

Thank you for the opportunity to provide feedback on the Draft Regulatory Information requirements for Intermediate and Minor Water Retailers and to agreeing to meet with the Local Government Association of SA (LGA) and members of the LGA Community Wastewater Management Systems (CWMS) Management Committee on Friday 24 May 2013 to further explore the issues and possibilities for further collaboration.

The LGA CWMS Management Committee is responsible for managing the funding associated with Local Governments' construction and operation of effluent and some sewerage collection, treatment and disposal services across the state. The CWMS Committee is very proud of its long and successful history of working very closely with Councils at an operational level to assist them meet the obligations surrounding their CWMS programs and infrastructure and to cut as much "red tape" as possible.

LGA feedback on this ESCOSA guideline has been informed by feedback from Councils across the State, the LGA CWMS Management Committee and independent technical/financial resources.

In principle, the LGA is supportive of the economic regulation of water and sewerage services as described by ESCOSA, yet it is concerned with the impact that such regulation will have on Councils ability to manage and resource such a regime.

The LGA is keen to support Councils in ways that enhance their processes and promote efficiency and increased value in the management of their complex water/CWMS systems. Councils are required to meet a large variety of regulatory reporting regimes that often overlap and always consume large amounts of resource allocation to comply with. As such the LGA recommends a complete mapping exercise be undertaken to determine just what data is already being collected by Councils that is suitable for ESCOSA's purposes.

It is important to recognise that the Local Government sector is working diligently to build capacity, to adopt systems, software, training and high level support to be able to operate in a 'best practice' environment. Considerable impetus is being provided to this approach by the LGA, Institute of Public Works and Engineering Australia, and the Federal "Managing the Future" Program and encourages ESCOSA to work closely with the LGA on the longer term outlook.

In conclusion, the LGA is determined to work closely and cooperatively with ESCOSA to ensure that the impact of the proposed operational performance reporting on Councils is minimised and the accuracy of data collected is meaningful and accurate.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Haste', followed by a period.

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Attach; 101488



Water Regulatory Information Requirements for Intermediate and Minor Retailers

Consultation Draft

SUBMISSION

June 2013

NOTE: This is an endorsed LGA Management Group document. It was prepared by the LGA Secretariat and was endorsed at the LGA Management Group meeting on 20 June 2013.

Water Regulatory Information Requirements for Intermediate and Minor Retailers - Consultation Draft

INTRODUCTION

Local Government Association of SA (LGA)

The LGA is a membership organisation for all Councils in South Australia and is the voice of Local Government in this State. The LGA is created by Councils and endorsed by the South Australian Parliament through the South Australian Local Government Act 1999 and is recognised in 29 other South Australian Acts.

All 68 Councils are members of the Association, as is Anangu Pitjantjatjara Yankunytjatjara.

The LGA provides representation, quality service and leadership relevant to the needs of member Councils. The LGA also operates specific units/entities providing:

- all public liability and professional indemnity cover for all SA Councils;
- all workers compensation cover for all SA Council employees and associated Local Government bodies;
- asset cover for SA Councils; and
- extensive education and training; industrial relations; procurement; online services and a research and development scheme.

The LGA is involved in the operation of (and establishment of):

- the Local Government Finance Authority;
- StatewideSuper – Trust the Local; and
- Public Library Services.

The LGA has a formal State/Local Government Relations Agreement with the Premier of the State, and is a constituent member of the Australian Local Government Association.

Local Government in South Australia

Local Government in South Australia (SA) comprises 68 Councils of which 19 are metropolitan Councils and 49 are rural or regional Councils. A large land area of the State is not incorporated under the Local Government Act but for the purposes of the Commonwealth Local Government (Financial Assistance) Act comprises five Aboriginal communities and the Outback Communities Authority.

The Constitution Act 1934 (SA), the Local Government Act 1999 (SA), and the Local Government (Elections) Act 1999 (SA) and the City of Adelaide Act 1997 (SA), create the primary legal framework within which Local Government operates and the four-yearly election process which underpins the representative nature of Councils in this State.

The Local Government system in SA is integral to the democratic system of government in Australia which provides vital economic, social and environmental support for communities. SA Councils manage about \$16 billion of infrastructure and operating expenditures of about \$1.6 billion a year (2010 figures). Councils receive significant Commonwealth and State funding and work in partnership at the local level for communities.

Local Government in SA is typified by:

- high standards of operational competence and accountability;
- sharing resources, working consultatively and cooperatively with other Councils and other spheres of government;

- low net debt and conservative management of finances; and
- expanding roles and increases in standards of service to respond to community demands, other governments and service gaps.

1. RESPONSE TO PART B: FINANCIAL PERFORMANCE REPORTING

NOTE; The LGA is aware the SA Local Government Financial Managers Group (FMG) is currently considering a draft revised costing paper that may include a template for tracking of CWMS financial transactions over a period of time.

The LGA recommends that ESCOSA consider this current work and seek to accept a common way forward that meets the needs of all parties in an efficient and aggregated manner.

Further detailed response to the proposed ESCOSA templates is contained in track changes to Appendix A.

The LGA appreciates that ESCOSA recognises that its regulatory reporting requirements impose additional costs on Councils. The LGA also understands that ESCOSA seeks to minimize such costs by ensuring that only relevant and useful information is collected.

In relation to the preparation of regulatory accounting statements, it seems that there is considerable scope to simplify and rationalise some of the draft pro-forma statements set out in Section 4: Information Requirements for Financial Performance Reporting.

Separately, the LGA recently initiated a project aimed at improving the understanding and application of costing methodologies in Councils. A key outcome expected from this project is improved recording, reporting and monitoring of financial information covering the cost of providing Council services. In relation to Council water services, it is hoped that such improvements would lead to more informed decision making by Council Members (including ensuring that the whole-of-life-costs of assets are minimised) as well as providing a defensible basis for the application of service rates and charges.

The LGA's consultant (Mr David Hope) contacted ESCOSA seeking comments on an initial draft paper. The LGA also has arranged for the SA FMG – a group of finance professionals from Councils – to actively participate in the project. At the same time, it needs to be recognised that the CWMS Management Committee already has invested significant funding and effort, through the CWMS Reform Program and a joint CWMS Services study, to bring about financial management improvements over time.

In alerting ESCOSA to the LGA “costing” project underway, we are hoping that whatever changes to systems and processes Councils need to make, to complete ESCOSA's regulatory accounting statements, would be compatible with changes stemming from the LGA initiative. Indeed, we would be concerned if the operating costs of Council water activities as shown in a Council's regulatory statement were materially different to operating costs showing in a Council's management reports (using contemporary costing methodologies).

To help inform the meeting between ESCOSA and LGA on Friday 24 May 2013, please refer to a number of technical comments provided by the LGA in Appendix A.

In summary, the concerns raised by the LGA are that the content of some of ESCOSA's draft pro-formas are too detailed and at odds with guidance material provided by the LGA to Councils under the LGA's Financial Sustainability Program.

Separately, while agreeing with the regulatory asset schedule and the regulatory capital expenditure analysis (albeit with the latter analysis greatly simplified), the LGA questions the relevance and usefulness (to ESCOSA) of disaggregated and regulatory balance sheet reporting. In addition, the draft pro-forms covering regulatory income statements do not appear

to cater for (economic) concepts such as a 'return on capital' – being a legitimate cost of providing Council water services, and which is not captured in an income statement prepared under Australian Accounting Standards.

This latter aspect is particularly important, as SA Councils are encouraged to manage their borrowings, cash and investments in a holistic manner, and thus it is impossible to “disaggregate” corporate finance costs in any income statement.”

2. RESPONSE TO PART C: OPERATIONAL PERFORMANCE PROFORMAS

OP1.1 Timeline of response to telephone calls

The LGA is not aware of any Council currently collecting “water retail only” information as related to its water assets. The committee recognises that Councils’ may collect “overall business” data as part of an overall assessment of its service delivery standards, but is not aware of this being consistently applied across the sector.

While the LGA is generally supportive of Councils adopting a method of assessing service delivery standards, it recommends the removal of this requirement as being overly time consuming and unnecessary and currently not achievable.

OP1.2: Customer complaints

The LGA is generally supportive of an approach that encourages meaningful monitoring of service standards. The LGA notes that most rural councils will struggle to meet the reporting requirements under current arrangements.

OP2.1: Restrictions & legal actions for non-payment

The LGA believes that the application and subsequent collection of CWMS related fees, as included in Council Rate policy, is subject to the conditions of the Local Government Act and as such is well covered in terms of defining possible and recommended course of action for non payment.

It seems feasible that Councils would be able to comply with this reporting requirement.

OP2.2: Financial support measures

The LGA believes data of this nature may already be collected by Councils and is supportive of this approach, though the committee encourages collection of this data from existing sources rather than through this additional mechanism.

OP2.3 Price Movements

The LGA recommends the removal of this requirement as there does not appear to be a standard mechanism for Councils to conduct their calculations; hence the opportunity to collect erroneous information with limited statistical value.

OP3.1: Water infrastructure reliability

The LGA looks forward to direct discussion with ESCOSA on the needs in this area, noting that there are only a few Councils which provide potable reticulated water to communities.

OP3.2 Sewerage infrastructure reliability

The LGA notes that Councils are implementing monitoring and management systems related to the services provided through water/sewerage/CWMS infrastructure (related to their Licence and Department of Health Approval Conditions).

The LGA is therefore generally supportive of an approach as suggested. It does, however, recognise that many Councils will not currently be able to comply with all requirements across all systems due to the dispersed nature of such systems across the Council area, the variety of age of infrastructure and the relative under resourcing of the water/sewerage/CWMS infrastructure management capability.

OP4.1 Statistical information

The LGA points out that not all Councils are currently providing either drinking, or non-drinking water services (through sale or otherwise) to its rate payers and therefore will not need to complete much of this part of the return.

3 INFORMATION REQUIREMENTS FOR FINANCIAL PERFORMANCE REPORTING

3.1 Use of proformas to report information

- 3.1.1 The Financial Reporting Proformas in Schedule 1 set out the financial information that has been identified by the **Commission** as necessary for the purpose of performing its statutory functions.
- 3.1.2 Clause 3.5.4 details the **Commission's** timing requirements for the provision of **Regulatory Accounting Statements** to the **Commission** by licensees.
- 3.1.3 Where the **Commission** needs to change the nature, context or scope of routine financial information it requires licensees to provide, it will provide additional or amended Financial Reporting Proformas.

3.2 Summary of reporting requirements

- 3.2.1 Licensees must prepare **Regulatory Accounting Statements** in accordance with the proformas in Schedule 1 and the specific requirements in this Guideline.
- 3.2.2 A set of annual **Regulatory Accounting Statements** shall comprise:
- (a) **Regulatory Accounting Statements**, including **Disaggregation Statements**, regulatory accounting journals and other workpapers;
 - (b) the audited **Statutory Accounts** of the Entity or Entities that have been disaggregated to provide the **Regulatory Accounting Statements**;
 - (c) a Directors' **Responsibility Statement** for the **Regulatory Accounting Statements** in a form specified in clause 2.4; and
 - (d) the **Regulatory Accounting Principles and Policies** and any details of changes or developments, as referred to in clause 3.1.
- 3.2.3 Where required by the templates, the licensee must prepare explanatory notes which explain the basis of the information recorded in the **Regulatory Accounting Statements**.

- 3.2.4 **Licensees** must prepare pricing schedules and accompanying pricing policy statements in accordance with the requirements in the **licensee's** current **Price Determination**.
- 3.2.5 Unless agreed in writing with the Commission, a **licensee** must submit their pricing schedule and pricing policy statement to the **Commission** by no later than 30 May immediately preceding the start of the regulatory year.

3.3 *Disaggregation statements*

- 3.3.1 A **licensee** shall prepare **Disaggregation Statements**, per the disaggregation principles in clause 3.2, for the Income Statement and Balance Sheet and for disclosure of asset information as detailed in the Financial Reporting proformas in Schedule 1.
- 3.3.2 A **licensee** shall provide an audit trail to evidence the disaggregation of the **Statutory Accounts** into **regulated** and **unregulated services**.

3.4 *Regulatory adjustments*

- 3.4.1 Regulatory adjustments may be applied to the **regulated services** segment of the **Disaggregation Statements** when:
- (a) considered appropriate by the **licensee**; or
 - (b) required by the **Commission**.
- 3.4.2 Instances in which the **Commission** may require regulatory adjustments include, but are not limited to:
- (a) Where a **licensee** has capitalised **customer contributions** or **gifted assets** in the **Statutory Accounts** which the **Commission** considers should be treated as revenue for regulatory purposes;
 - (b) Where a **licensee** has capitalised costs in the **Statutory Accounts** which the **Commission** considers should be treated as operating expenditure for regulatory purposes; and
 - (c) Where a **licensee** has not capitalised costs in the **Statutory Accounts** which the **Commission** considers should be treated as capitalised assets for regulatory purposes.
- 3.4.3 A **licensee** must submit its reasoning to the **Commission** for including a regulatory adjustment not covered in clause 4.4.2 above.

Comment: This will distort operating income. Operating revenue & expenditure should never be aggregated with Capital revenue & expenditure. Further in this instance the total value of the gifted assets is included as income where only the depreciation of this gifted asset is included in expenditure. Refer later to financial statements for more on this.

- 3.4.4 Regulatory accounting adjustments must be accounted for by journal entries applied to the **disaggregated statements** and relevant working papers must be included in the information reported to the **Commission**.

3.5 Income

- 3.5.1 A **licensee** must allocate revenue items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 3.5.2 For revenue allocated to each **regulated business segment** a **licensee** must further allocate this revenue between the **revenue sources mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

3.6 Operating costs

- 3.6.1 A **licensee** must allocate operating cost items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 3.6.2 For operating costs allocated to each **regulated business segment** a **licensee** must further allocate these operating costs between the **activity area mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

3.7 Capital expenditure

- 3.7.1 A **licensee** must allocate capital expenditure items between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.
- 3.7.2 For capital expenditure allocated to each **regulated business segment** a **licensee** must further allocate this capital expenditure between the **cost drivers and asset categories mandatory headings** as listed in the Financial Reporting Proformas in Schedule 1. The use of **discretionary headings** must be in accordance with clause 3.4.

3.8 Asset information

- 3.8.1 A **licensee** must allocate gross book value and accumulated depreciation balances between the **regulated business segments** as listed in the Financial Reporting Proformas in Schedule 1.

SCHEDULE 1 FINANCIAL REPORTING PROFORMAS

PROFORMA FR1.1 – Audited statutory accounts

Comment: This report could be excluded as the current year column is included in Proforma FR 1.2 Disaggregated income statement. Previous Year figures are probably not required or should be already available.

	Current year \$'000	Previous year \$'000
INCOME		
Rates		
Statutory charges		
User charges		
Grants, subsidies and contributions		
Investment income		
Reimbursements		
Other income		
Net gain - joint ventures and associates		
Total Income		
EXPENSES		
Employee costs		
Materials, contracts and other services		
Depreciation		
Finance costs		
Net loss - joint ventures and associates		
Total Expenses		
OPERATING SURPLUS/(DEFICIT)		
Asset disposal and fair value adjustments		
Amounts received specifically for new and upgraded assets		
Physical resources received free of charge		
Operating result from discontinued operations		
NET SURPLUS/(DEFICIT)		

PROFORMA FR1.2 –Disaggregated income statement

	Audited Statutory Accounts \$'000	Regulated services¹ \$'000	Unregulated services² \$'000
INCOME			
Rates			
Statutory charges			
User charges			
Grants, subsidies and contributions			
Investment income			
Reimbursements			
Other income			
Net gain - joint ventures and associates			
Total Income			
EXPENSES			
Employee costs			
Materials, contracts and other services			
Depreciation			
Finance costs			
Net loss - joint ventures and associates			
Total Expenses			
OPERATING SURPLUS/(DEFICIT)			
Asset disposal and fair value adjustments			
Amounts received specifically for new and upgraded assets			
Physical resources received free of charge			
Operating result from discontinued operations			
NET SURPLUS/(DEFICIT)			

Comment: The LGA is unclear if this is referring to all other Council activities or just those in relation to Water & Sewage that are not covered by the Water Industry Act.

Is it the intention of this report to have the Regulated & Unregulated Columns add up to the Audited Statutory Accounts column?
Needs clarification.

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR1.3 –Regulatory income statement

	Disaggregated Statement - Regulated Services	Regulatory Adjustment ¹ \$'000	Regulatory Income Statement \$'000
INCOME			
Rates			
Statutory charges			
User charges			
Grants, subsidies and contributions			
Investment income			
Reimbursements			
Other income			
Net gain - joint ventures and associates			
Total Income			
EXPENSES			
Employee costs			
Materials, contracts and other services			
Depreciation			
Finance costs			
Net loss - joint ventures and associates			
Total Expenses			
OPERATING SURPLUS/(DEFICIT)			
Asset disposal and fair value adjustments			
Amounts received specifically for new and upgraded assets			
Physical resources received free of charge			
Operating result from			

Comment: The treatment of these items is inconsistent with Proforma FR1.4 - Regulatory income and operating cost analysis. This Proforma is the correct treatment as it separates capital revenues from operating income unlike Proforma FR 1.4. Refer FR1.4 for further comment.

General Guidance:

1. Regulatory Adjustments are unlikely to be required by Intermediate and Minor retailers. Such adjustments are principally made to remove customer contributions from non-current assets. The Commission wishes to review returns on assets funded by the retailer not by customer contributions. If such a customer contribution adjustment is required, depreciation adjustments will also be necessary.

PROFORMA FR1.4 –Regulatory income and operating cost analysis

	Regulated Business Segment			TOTAL (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and storm water (current year)		
INCOME (by Revenue Source)					
Residential from usage charges					
Residential from other charges					
Non-residential from usage charges					
Non-residential from other charges					
Core miscellaneous services					
New customer contributions					
Asset disposal					
Government contributions					
Gifted assets					
Other income					
Total Income					
OPERATING COSTS (by Activity Area)					
Operations and maintenance					
Bulk charges					
Treatment					
Customer service and billing					
Licence fees					
Corporate overheads ²					
Other operating expenditure					
Total Operating Costs¹					

Comment: This information should already be available. The LGA questions its relevance.

Comment: Unlikely that Council GL's would segregate these 2 activities. Income might be easily attainable however expenditure would be very difficult. Firstly the GL most likely wouldn't be set up to collect the expenses in this format. Secondly if it were then the issue of when does Sewage activities cease and Recycling start. Thirdly is such a split material from a Councils point of view. It definitely wouldn't be for minor retailers, which most of SA are.

Comment: These line items are capital revenue. The treatment of this is inconsistent with Proforma 1.3.

Note: Total Income (ie includes capital and operating of Total Operating Costs.

LGA suggestion is to remove these revenue streams from this report and create a separate report for Capital Revenues and include with Proforma FR2.5 – Regulatory capital expenditure analysis. FR2.5 could be renamed: "Regulatory Capital income & expenditure analysis"

General Guidance:

1. Total Operating costs must equal the sum of Employee costs and materials, contracts and other services in FR1.2.
2. Corporate overheads are an assessed proportion of the licensee's costs that are "allocated" to the water or sewerage business functions

Comment: Consider providing further guidance on how to calculate. This is a very rubbery number and could be displayed separately to the direct costs being reported on.

PROFORMA FR2.1 – Audited statutory balance sheet

Comment: LGA's Financial Sustainability Program has been recommending a Pool of Funds / Whole of business approach to managing a Council's finances. By disaggregating Councils Balance Sheet as proposed we are ignoring this principal. FR2.4 & a Revised FR 2.5 should capture all the information required. Thus making the balance sheet Proformas FR2.1 to FR 2.3 unnecessary.

	Current year \$'000	Previous year \$'000
CURRENT ASSETS		
Cash and cash equivalents		
Trade and other receivables		
Other financial assets		
Inventories		
Total Current Assets		
NON-CURRENT ASSETS		
Financial assets		
Infrastructure, Property, Plant and Equipment		
Other non-current assets		
Total Non-current Assets		
TOTAL ASSETS		
CURRENT LIABILITIES		
Trade and other payables		
Borrowings		
Provisions		
Other current liabilities		
Total Current Liabilities		
NON-CURRENT LIABILITIES		
Trade and other payables		
Borrowings		
Provisions		
Other non-current liabilities		
Total Non-current Liabilities		
TOTAL LIABILITIES		
NET ASSETS		
EQUITY		
Accumulated surplus		
Asset revaluation reserve		
Other reserves		
TOTAL EQUITY		

PROFORMA FR2.2 –Disaggregated balance sheet

Comment: Not required refer comment 10.

	Audited Statutory Accounts \$'000	Regulated services ¹ \$'000	Unregulated services ² \$'000
CURRENT ASSETS			
Cash and cash equivalents			
Trade and other receivables			
Other financial assets			
Inventories			
Total Current Assets			
NON-CURRENT ASSETS			
Financial assets			
Infrastructure, Property, Plant and Equipment			
Other non-current assets			
Total Non-current Assets			
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other current liabilities			
Total Current Liabilities			
NON-CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES			
NET ASSETS			
EQUITY			
Accumulated surplus			
Asset revaluation reserve			
Other reserves			
TOTAL EQUITY			

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR2.3 –Regulatory balance sheet

Comment: Not required. Refer comment 10.

	Disaggregated Balance Sheet - Regulated Services \$'000	Regulatory Adjustment ¹ \$'000	Regulatory Balance Sheet \$'000
CURRENT ASSETS			
Cash and cash equivalents			
Trade and other receivables			
Other financial assets			
Inventories			
Total Current Assets			
NON-CURRENT ASSETS			
Financial assets			
Infrastructure, Property, Plant and Equipment			
Other non-current assets			
Total Non-current Assets			
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other current liabilities			
Total Current Liabilities			
NON-CURRENT LIABILITIES			
Trade and other payables			
Borrowings			
Provisions			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES			
NET ASSETS			
EQUITY			
Accumulated surplus			
Asset revaluation reserve			
Other reserves			
TOTAL EQUITY			

General Guidance:

1. Regulatory Adjustments are unlikely to be required by Intermediate and Minor retailers. Such adjustments are principally made to remove customer contributions from non-current assets. The Commission wishes to review returns on assets funded by the retailer not by customer contributions. If such a customer contribution adjustment is required, depreciation adjustments will also be necessary.

PROFORMA FR2.4 –Regulatory asset schedule

	Per Audited Statutory Accounts \$'000	Regulated services ¹ \$'000	Unregulated services ² \$'000
Gross book value			
Balance brought forward			
Revaluations			
Additions			
Gifted			
Disposals			
Balance carried forward			
Accumulated depreciation			
Balance brought forward			
Revaluations			
Additions			
Gifted			
Disposals			
Balance carried forward			
Net book value at end of period			

Comment: These lines are not how Acc Depn is recorded. Suggest replace these with Current Year Depn, depn written back on disposal, Impairment.

General Guidance:

1. Regulated services means retail services as defined in the Water Industry Act
2. Unregulated services means services which fall outside the scope of the Water Industry Act 2012

PROFORMA FR2.5 –Regulatory capital expenditure analysis

Comment: Refer previous comment 8. Amend this report to include a separate table for Capital Revenue with the same columns but with different rows eg. Gifted assets, Capital Income etc. Can be developed later if agreed to in principal.

Comment: Remove not relevant. Info already on hand.

	Regulated Business Segment			TOTAL ¹ (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and stormwater (current year) \$'000		
CAPITAL EXPENDITURE (by Cost Drivers)					
New assets for Growth					
Renewal of existing infrastructure					
New assets for Improved Standards					
Compliance					
Other					
Total Additions					

Comment: Delete these rows. Confusing & unlikely to be trapped in GL in this format.

	Regulated Business Segment			TOTAL ¹ (current year) \$'000	TOTAL (previous year) \$'000
	Water (current year) \$'000	Sewerage and trade waste (current year) \$'000	Recycled water and stormwater (current year) \$'000		
CAPITAL EXPENDITURE (by Asset Categories)					
Headworks					
Pipeworks/network					
Treatment					
Corporate					
Other					
Total Additions					

Comment: Delete this section of the report. Unlikely Councils will have GL or asset management data in this format

General Guidance:

- Total Additions must equal additions in FR 2.4