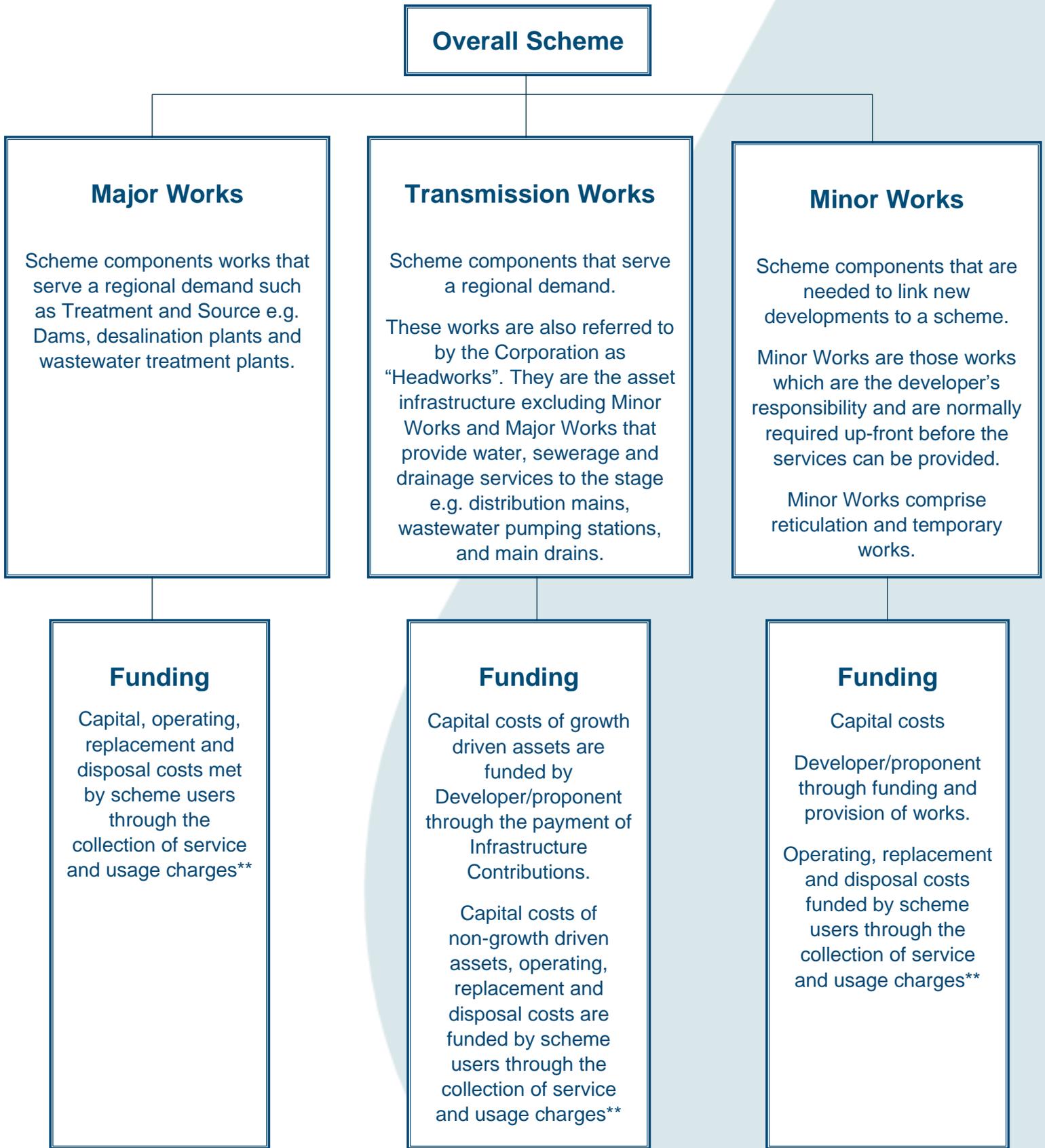


Infrastructure Network Funding Model



**Where service and usage charges do not recover costs, (i.e. country schemes) operating subsidies are paid by State Government.

Infrastructure Network Funding Model

Infrastructure Network Funding Model

The Corporation funds its infrastructure in accordance with the Western Australian Planning Commission's approved Infrastructure Network Funding Model. The following components are funded differently, major works, headworks and minor (reticulation) works.

Major works serve a regional demand such as treatment and sources. E.g., Dams, desalination plants and wastewater treatment plants. In accordance with the funding model, costs are funded through the collection of service and usage charges.

Headwork asset's primary purpose is to serve the wider area. Headworks infrastructure includes wastewater pumping stations, sewer mains larger than 300mm, water distribution mains larger than 250mm and urban main drains. In accordance with the funding model, the initial capital costs of growth driven headworks assets are funded by the Developer/proponent through the payment of Infrastructure Contributions whilst the capital costs of non-growth driven assets, operating, replacement and disposal costs are funded through the collection of service and usage charges.

Minor (reticulation) works are the pipelines that provide connections to private works. Reticulation infrastructure generally include sewer mains less than 300mm and water mains less than 250mm. In accordance with the funding model, Developers pay for or provide reticulation works when developing land in accordance with the Corporations standards and specifications.

Water

Headworks

A water supply main is classed as headworks when its predominant function is to transfer water (treated or untreated) between or to storage assets or in accordance with a scheme design, distribute treated water to reticulation mains. Property connections to headworks main are only permitted with restrictive conditions in an agreement.

Reticulation

In the following schemes, water mains with a nominal diameter of 250mm and less are classed as reticulation mains unless Water Corporation requires them to perform a headworks function - Perth (metropolitan area), Albany, Australind - Eaton, Broome, Dalyellup, Dunsborough - Quindalup, Esperance, Geraldton, Kalgoorlie, Karratha, Mandurah - Pinjarra, Margaret River, and Port Hedland. For schemes not listed above, Water Corporation will determine the proportion of the 250mm main that performs predominately a headworks function.

Wastewater

Headworks

A wastewater main is classed as headworks when its predominant function is to transfer wastewater between or to a treatment plant. Property connections are only allowed with restrictive conditions in an agreement.

Infrastructure Network Funding Model

Reticulation

The following mains are reticulation unless the Corporation requires the sewer main to perform a predominantly headworks function.

- 150mm and 225mm, nominal diameter gravity sewers,
- all vacuum mains regardless of size, and
- all mains in a pressure sewer system.

300mm Sewer reimbursement

The 300mm sewer performs both a reticulation and a headworks function. For these sewers, the Corporation:

- requires developers to construct 300mm sewers as reticulation, and
- reimburses the costs incurred at an approved rate per metre.

To be eligible for reimbursement, a wastewater design incorporating 300mm sewers must be “Accepted” by Water Corporation. The reimbursement amount has been set at \$900 per metre and will be paid at the time that the assets are “taken-over” by Water Corporation.

The reimbursement process will be automatically activated upon the completion of the works and acceptance by the Corporation, with the payment being made to the developer recorded on the subdivision agreement. Importantly there is no requirement for a developer to make any claims to receive the reimbursement or to change in any way the way the assets are designed or constructed.