



Quarterly Performance Report December 2017

BUSSELTON WATER



Our Key Performance Outcomes

Business Performance	As at December 2017		
	Actual Year to Date	Annual Target	Status
Leadership			
Residential water efficiency kL/pp/year (rolling year)	113	115	On Target
Strategy and Planning			
SDP/SCI submitted to Minister	Draft SDP/SCI submitted to the Minister January 2018	30 April 2018	On Target
Information and Knowledge			
Deliver year 1 of the Information and Knowledge five year program	32%	>85%	On Target
People			
Number of reported hazard per month (rolling year average)	12	>10	On Target
Customer and Other Stakeholders			
Number of complaints/1000 customers (rolling year average)	1.4	<10	On Target
Process Management, Improvement and Innovation			
Drinking water quality compliance with health standards	100%	100%	On Target
Results and Sustainable Performance			
Operating profit after tax	(\$0.85m)	\$2.8m	On Target

Comments

All results are on target.

Information and Knowledge progress showing 32% however projects committed exceed 85%.

The operating profit after tax loss is normal at this time of year. Busselton Water will commence its second billing cycle in February 2018.

Our Financial Forecast

Financial Performance	As at December 2017				
	Full Year Forecast	Actual YTD	Budget YTD	Variance	SCI Budget
Financial Results (\$m)					
Operating profit before income tax	3.97	(0.40)	(1.02)	0.62	3.99
Operating profit after income tax	2.75	(0.85)	(1.33)	0.48	2.77
Loan principal repaid	0.27	0.13	0.13	-	0.27
Capital expenditure	4.26	0.57	1.29	0.72	3.87
Net Accruals to Government (\$'000s)					
Income tax equivalents (NTER)	1,227.00	450.27	314.05	136.22	1,227.00
Local Government rate equivalents	55.97	55.97	59.46	(3.49)	59.46
Dividends provided	1,408.63	1,408.63	1,408.63	-	1,025.00
Total accruals to Government	2,691.60	1,914.87	1,782.14	132.73	2,311.46
Less: Payments from Government (Operating subsidies)	629.00	281.50	281.50	-	647.00
NET ACCRUALS TO GOVERNMENT	2,062.60	1,633.37	1,500.64	132.73	1,664.46

Comments

Operating Profit results are favourable to budget due to revenue from new connections and developer contributions above year-to-date forecasts and year-to-date expenditure is tracking 7% under budget due to the timing of actual expenditure in comparison to budget phasing and salary increases not yet paid.

Full year forecasts for capital expenditure (\$4.26 million) are above the SCI budget (\$3.87 million) due to capital carryovers being approved by Government in November 2017. Capital expenditure, although behind on YTD expenditure budget, is tracking on target with a number of major projects in design phase.

The income tax equivalent (NTER) is above budget after the second quarterly payment in December 2017. Busselton Water's tax liability is paid quarterly in direct proportion to gross income

Payment of Local Government rate equivalents are below the budget forecast.

Following a profitable year in 2016-17, the Board declared a dividend payment of \$1.4 million which was paid to the State Government in December 2017 resulting in an increase in net accruals to Government.

Year-to-date and full year forecast Net Accruals to Government are well above the SCI budget due to the combined taxation and dividend results.

Overall, results are positive at the December quarter.