



Quarterly Performance Report December 2018

BUSSELTON WATER



Our Key Performance Outcomes

Business Performance	As at December 2018		
	Actual Year to Date	Annual Target	Status
Leadership			
Residential water efficiency kL/pp/year (rolling year)	105	113	On Target
Strategy and Planning			
SDP/SCI submitted to Minister	Draft submitted to Minister 9 January 2019	30 April 2019	On Target
Information and Knowledge			
Deliver year 1 of the Information and Knowledge five year program	39.2%	>85%	On Target
People			
Number of reported hazard per month (rolling year average)	10.33	>10	On Target
Customer and Other Stakeholders			
Number of complaints/1000 customers (rolling year average)	3.17	<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	(\$0.93m)	\$1.45m	On Target
Growth			
Number of new water services	94	150	On Target

Comments

The operating profit after tax is historically normal for this time of year. Busselton Water will commence its second billing cycle in February 2019.

Overall, all business performance outcomes are positive at the December quarter.

Our Financial Forecast

Financial Performance	As at December 2018				
	Full Year Forecast	Actual YTD	Budget YTD	Variance	SCI Budget
Financial Results (\$m)					
Operating profit before income tax	2.43	(0.52)	(1.34)	0.82	2.23
Operating profit after income tax	1.59	(0.93)	(1.56)	0.63	1.45
Loan principal repaid	0.28	0.14	0.14	0.00	0.28
Capital expenditure	5.78	2.83	2.89	(0.06)	3.72
Net Accruals to Government (\$'000s)					
Income tax equivalents (NTER)	835.29	412.36	224.39	187.97	779.08
Local Government rate equivalents	62.29	0.00	0.00	0.00	62.29
Dividends provided	1,539.98	1,539.98	1,130.00	409.98	1,130.00
Total accruals to Government	2,437.56	1,952.34	1,354.39	597.95	1,971.37
Less: Payments from Government (Operating subsidies)	674.00	293.94	348.00	(54.06)	696.00
NET ACCRUALS TO GOVERNMENT	1,763.56	1,658.40	1,006.39	652.01	1,275.37

Comments

Forecast operating profit results are favourable to budget mainly due to lower than expected expenses and an increase on revenues. The increase in revenue is due mainly to the Airport Developer contribution receipts. Administration expenses are 10% lower than budget and governance/consulting are also down due to timing of actual expenditure against budget phasing.

The total budget for capital before carry overs is \$3.72 million. The capital program has increased by \$2.1 million with capital carryovers, making the annual budget \$5.8 million. The amount of funds spent on the capital works program for the period ended 31 December 2018 is \$2.83 million which equates to 48.9% of the annual budget inclusive of mid year review carryovers.

The income tax equivalent (NTER) is above budget by \$0.19 million after the 6 months of trade in December 2018. Busselton Water's tax liability is paid quarterly in direct proportion to gross income.

Following the profitable year in 2017-2018, a dividend payment of \$1.539 million was paid to the State Government in December 2018.

Full year forecast Net Accruals to Government are well above the SCI budget due to the combined taxation and dividend results.

Overall, financial results are positive at the December quarter.