



Quarterly Performance Report September 2018

BUSSELTON WATER



Our Key Performance Outcomes

Business Performance	As at September 2018		
	Actual Year to Date	Annual Target	Status
Leadership			
Residential water efficiency kL/pp/year (rolling year)	108	113	On Target
Strategy and Planning			
SDP/SCI submitted to Minister	Strategic Planning Process initiated September 2018	30 April 2019	On Target
Information and Knowledge			
Deliver year 1 of the Information and Knowledge five year program	25.7%	>85%	On Target
People			
Number of reported hazard per month (rolling year average)	10.3	>10	On Target
Customer and Other Stakeholders			
Number of complaints/1000 customers (rolling year average)	2.92	<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	(\$1.75m)	\$1.45m	On Target
Growth			
Number of new water services	56	150	On Target
Comments			

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

Our Financial Forecast

Financial Performance	As at September 2018				
	Full Year Forecast	Actual YTD	Budget YTD	Variance	SCI Budget
Financial Results (\$m)					
Operating profit before income tax	2.49	(1.68)	(2.03)	0.35	2.23
Operating profit after income tax	1.48	(1.75)	(2.06)	0.31	1.45
Loan principal repaid	0.28	0.07	0.07	0.00	0.28
Capital expenditure	5.78	1.56	1.30	(0.27)	3.72
Net Accruals to Government (\$'000s)					
Income tax equivalents (NTER)	1,011.46	75.22	36.73	38.49	779.08
Local Government rate equivalents	62.29	0.00	0.00	0.00	62.29
Dividends provided	1,539.98	0.00	0.00	0.00	1,130.00
Total accruals to Government	2,613.73	75.22	36.73	38.49	1,971.37
Less: Payments from Government (Operating subsidies)	674.00	22.00	22.00	0.00	696.00
NET ACCRUALS TO GOVERNMENT	1,939.73	53.22	14.73	38.49	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 to the Airport Developer contribution receipts and higher than anticipated revenue from Peel Terrace private works. Administration expenses are 10% lower than budget and Communication costs from Water campaigns are down due to timing of actual expenditure against budget phasing.

The total budget for capital before carry overs is \$3.72 million. The amount of funds spent on the capital works program for the period ended 30 September 2018 is \$1.56 million, 21% higher than the year to date budget of \$1.3 million. An increase in the capital program by \$2.1m to \$5.8m is under consideration as part of the mid year review for carry overs.

The income tax equivalent (NTER) is above budget after the first quarterly payment in September 2018. Busselton Water's tax liability is paid quarterly in direct proportion to gross income.

Following a profitable year in 2017-2018, the Board declared a dividend payment of \$1.539 million which will be paid to the State Government in December 2018 resulting in an increase in net accruals to Government.

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 September quarter.