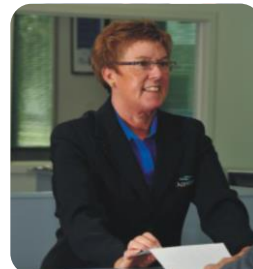




# Quarterly Report

September 2017



## Financial Performance

	Year to date September 2017				Full Year 2017/2018
	Actual (\$000's)	Budget (\$000's)	Variance (\$000's)	Last Year (\$000's)	SCI Budget (\$000's)
Total operating revenue	5,859	5,561	298	5,840	16,357
Direct operating expenses	1,960	2,407	(447)	1,752	9,630
Depreciation	631	640	(9)	623	2,558
Earnings before interest and tax (EBIT)	3,268	2,514	754	3,465	4,169
Interest expense	4	4	-	4	16
Developer contributions	118	38	80	36	151
<b>Operating profit before tax</b>	<b>3,382</b>	<b>2,548</b>	<b>834</b>	<b>3,497</b>	<b>4,304</b>
Income tax expense	649	396	253	705	1,571
Dividend	-	-	-	-	1,914
<b>Operating profit after tax and dividend</b>	<b>2,733</b>	<b>2,152</b>	<b>581</b>	<b>2,792</b>	<b>819</b>
Capital expenditure	550	2,658	(2,108)	1,269	10,632
Borrowings taken (repaid)	(14)	(14)	-	(14)	581
<b>Net debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>475</b>

	Year to date September 2017				Full Year 2017/2018
	Actual	Budget	Variance	Last Year	SCI Budget
Return on assets (%)	8.17%	8.10%	0.07%	9.23%	8.10%
Debt to equity (%)	0.00%	0.00%	0.00%	0.00%	0.50%
<b>Net accrual to Government (000's)</b>					
Represented by:					
Tax equivalents	649	396	253	705	1571
Local Government Rates Equivalent	-	-	-	-	70
Land Tax	-	-	-	-	35
Dividends provided (1)	-	-	-	-	1,914
Total operating subsidies	-	-	-	-	(666)
<b>Net accrual to Government</b>	<b>649</b>	<b>396</b>	<b>253</b>	<b>705</b>	<b>2,924</b>

### Comments to Financial Performance

- (1) A dividend payment of \$1.898 million for the 2016/17 financial year based on 75 per cent operating profit after tax (excluding revenue from non cash capital contributions) is expected to be paid in the second quarter of 2017/18.

## Key Result Areas

Sustainability			
	Forecast	Target	Status
<b>S1.</b> Quantity of water produced within licensed allocation (GL)	6.7 GL	< 7.6 GL	On target
<b>S2.</b> Real Water Losses (Litres/service connection/day)	<115 L	< 115 L	On target
<b>S3.</b> Average annual residential water supplied (kL/property )	255 kL	< 280 kL	On target
<b>S4.</b> Operating cost of water supplied (kL/Connected Property) (3)	12.5% increase	< 2.0% increase	Over target
<b>S5.</b> Total net greenhouse gas emissions (net tonnes CO2-e) per 1,000 properties (1)	2.0% increase	2.0% reduction per annum	Over target

Customer Service			
	Forecast	Target	Status
<b>CS1.</b> Number of zones where microbiological compliance was achieved (1)	7 / 7	7 / 7	On target
<b>CS2.</b> Water quality complaints (per year, per 1,000 properties) (1)	1.2	< 2	On target
<b>CS3.</b> Water service complaints (per year, per 1,000 properties) (1)	0.6	< 0.8	On target
<b>CS4.</b> Billing and account complaints (per year, per 1000 properties) (1)	1.9	< 2	On target
<b>CS5.</b> Percentage of connections meeting pressure and flow requirements (1)	99.9%	100%	Under target
<b>CS6.</b> Percentage of customer complaints resolved in less than 15 business days (1)	96.7%	100%	Under target

Owner			
	Forecast	Target	Status
<b>SV1.</b> Return on Assets (1)	8.2%	> 7.5%	On target
<b>SV2.</b> Percent of fixed costs recouped by supply fee (1)	52.0%	> 45.0%	On target
<b>SV3.</b> Net debt to equity ratio	0.5%	< 10.0%	On target

Operations			
	Forecast	Target	Status
<b>OP1.</b> Average frequency of an unplanned interruption (per 1000 properties) (1)	219	< 250	On target
<b>OP2.</b> Average duration of an unplanned interruption (minutes) (1)	41 minutes	< 60 minutes	On target
<b>OP3.</b> Energy Consumption (kW.h/kL) (1)	0.44	< 0.45	On target

Operations			
<b>OP4.</b> Properties served per km of water main (1)	44	> 40	On target
<b>OP5.</b> Water main breaks (per 100km of water main) (1)	15	< 20	On target
<b>OP6.</b> Off peak energy use	71%	> 70.0%	On target
<b>OP7.</b> Operating cost per ML produced (2)	13.0% increase	< 2.0% increase	Over target

People			
	Forecast	Target	Status
<b>P1.</b> Staff Attitudinal Survey Completed	Yes	Yes	On target
<b>P2.</b> Lost Time Injury Frequency Rate (LTIFR) (1)	0	0	On target
<b>P3.</b> Average time lost per injury (days) (1)	0 days	< 2 days	On target

Community and Stakeholders			
	Forecast	Target	Status
<b>CST1.</b> Refer to CS2.			

#### Comments to Key Result Areas

- (1) Forecast is equal to actual results for 30 September 2017.
- (2) Forecast is over target due to a greater increase in operating costs (14.0%) than the increase in projected production (1.0%)
- (3) Forecast is over target due to a greater increase in operating costs (14.0%) than the increase in projected connected properties (1.2%).

#### Glossary

kL = kilolitres - one thousand litres.

ML = Megalitres – one million litres.

GL = Gigalitres – one thousand megalitres.

CO<sub>2</sub>e = is an abbreviation of 'carbon dioxide equivalent' and is the internationally recognised measure of greenhouse emissions.

kW.h = Kilowatt hours - is a unit of energy equivalent to one kilowatt (1 kW) of power expended for one hour.

n/a = Not available.

## Business Information

	Year to date September	
	2016	2017
Water Properties Connected - Residential	15,650	15,768
Water Properties Connected - Non-Residential	1,505	1,518
Water Produced (GL)	1	1