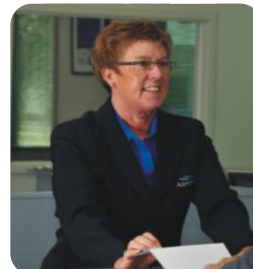




Quarterly Report

December 2017



Financial Performance

	Year to date December 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	7,988	7,688	300	8,015	16,357
Direct operating expenses	4,169	4,815	(646)	4,152	9,630
Depreciation	1,279	1,279	-	1,240	2,558
Earnings before interest and tax (EBIT)	2,541	1,594	947	2,624	4,169
Interest expense	8	8	-	9	16
Developer contributions	131	76	55	195	151
Operating profit before tax	2,664	1,662	1,002	2,810	4,304
Income tax expense	856	791	65	992	1,571
Dividend	1,898	1,915	(17)	1,983	1,914
Operating profit after tax and dividend	(91)	(1,043)	953	(165)	819
Capital expenditure	1,036	5,316	(4,280)	2,318	10,632
Borrowings taken (repaid)	(28)	(28)	-	(28)	581
Net debt	0	0	0	0	475

	Year to date December 2017				Full Year 2017/2018
	Actual	Budget	Variance	Last Year	SCI Budget
Return on assets (%)	9.73%	8.10%	1.63%	9.03%	8.10%
Debt to equity (%)	0.00%	0.00%	0.00%	0.00%	0.50%
Net accrual to Government (000's)					
Represented by:					
Tax equivalents	856	791	65	992	1571
Local Government Rates Equivalent	-	-	-	-	70
Land Tax	29	35	(6)	-	35
Dividends provided	1,898	1,915	(17)	1,983	1,914
Total operating subsidies	(333)	(333)	-	(336)	(666)
Net accrual to Government	2,451	2,408	43	2,639	2,924

Comments to Financial Performance

N/a.

Key Result Areas

Sustainability			
	Forecast	Target	Status
S1. Quantity of water produced within licensed allocation (GL)	6.7 GL	< 7.6 GL	On target
S2. Real Water Losses (Litres/service connection/day)	<115 L	< 115 L	On target
S3. Average annual residential water supplied (kL/property)	254 kL	< 280 kL	On target
S4. Operating cost of water supplied (kL/Connected Property) (4)	8.1% increase	< 2.0% increase	Over target
S5. Total net greenhouse gas emissions (net tonnes CO2-e) per 1,000 properties (2)	3.1% increase	2.0% reduction per annum	Over target

Customer Service			
	Forecast	Target	Status
CS1. Number of zones where microbiological compliance was achieved (1)	7 / 7	7 / 7	On target
CS2. Water quality complaints (per year, per 1,000 properties) (1)	1.3	< 2	On target
CS3. Water service complaints (per year, per 1,000 properties) (1)	0.5	< 0.8	On target
CS4. Billing and account complaints (per year, per 1000 properties) (1)	1.8	< 2	On target
CS5. Percentage of connections meeting pressure and flow requirements (1)	99.9%	100%	Under target
CS6. Percentage of customer complaints resolved in less than 15 business days (1)	97.7%	100%	Under target

Owner			
	Forecast	Target	Status
SV1. Return on Assets (1)	9.7%	> 7.5%	On target
SV2. Percent of fixed costs recouped by supply fee (1)	49.0%	> 45.0%	On target
SV3. Net debt to equity ratio	0.5%	< 10.0%	On target

Operations			
	Forecast	Target	Status
OP1. Average frequency of an unplanned interruption (per 1000 properties) (1)	187	< 250	On target
OP2. Average duration of an unplanned interruption (minutes) (2)	38 minutes	< 60 minutes	On target
OP3. Energy Consumption (kW.h/kL) (2)	0.44	< 0.45	On target

Operations			
OP4. Properties served per km of water main (1)	44	> 40	On target
OP5. Water main breaks (per 100km of water main) (1)	13	< 20	On target
OP6. Off peak energy use (2)	73%	> 70.0%	On target
OP7. Operating cost per ML produced (4)	7.9% increase	< 2.0% increase	Over target

People			
	Forecast	Target	Status
P1. Staff Attitudinal Survey Completed	Yes	Yes	On target
P2. Lost Time Injury Frequency Rate (LTIFR) (3)	16	0	Over target
P3. Average time lost per injury (days) (3)	22 days	< 2 days	Over target

Community and Stakeholders			
	Forecast	Target	Status
CST1. Refer to CS2.			

Comments to Key Result Areas

- (1) Forecast is equal to actual results for December 2017.
- (2) Forecast is equal to actual results for November 2017.
- (3) Represents one injury in December 2017.
- (4) Although still over target, the performance indicator has improved, due to a 2.3% reduction to operating expenses projected for the full year. Salaries and wages account for the majority of this reduction.

Glossary

kL = kilolitres - one thousand litres.

ML = Megalitres – one million litres.

GL = Gigalitres – one thousand megalitres.

CO₂e = 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 December	
	2016	2017
Water Properties Connected - Residential	15,675	15,804
Water Properties Connected - Non-Residential	1,503	1,522