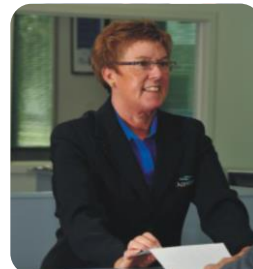




# Quarterly Report

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
<b>Earnings before interest and tax (EBIT)</b>	<b>2,541</b>	<b>1,594</b>	<b>947</b>	<b>2,624</b>	<b>4,169</b>
Interest expense	8	8	-	9	16
Developer contributions	131	76	55	195	151
<b>Operating profit before tax</b>	<b>2,664</b>	<b>1,662</b>	<b>1,002</b>	<b>2,810</b>	<b>4,304</b>
Income tax expense	856	791	65	992	1,571
Dividend	1,898	1,915	(17)	1,983	1,914
<b>Operating profit after tax and dividend</b>	<b>(91)</b>	<b>(1,043)</b>	<b>953</b>	<b>(165)</b>	<b>819</b>
Capital expenditure	1,036	5,316	(4,280)	2,318	10,632
Borrowings taken (repaid)	(28)	(28)	-	(28)	581
<b>Net debt</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>475</b>

	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%
<b>Net accrual to Government (000's)</b>					
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)
<b>Net accrual to Government</b>	<b>2,451</b>	<b>2,408</b>	<b>43</b>	<b>2,639</b>	<b>2,924</b>

### Comments to Financial Performance

N/a.

## 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 )	254 kL	< 280 kL	On target
<b>S4.</b> Operating cost of water supplied (kL/Connected Property) (4)	8.1% increase	< 2.0% increase	Over target
<b>S5.</b> 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
<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)	1.3	< 2	On target
<b>CS3.</b> Water service complaints (per year, per 1,000 properties) (1)	0.5	< 0.8	On target
<b>CS4.</b> Billing and account complaints (per year, per 1000 properties) (1)	1.8	< 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)	97.7%	100%	Under target

Owner			
	Forecast	Target	Status
<b>SV1.</b> Return on Assets (1)	9.7%	> 7.5%	On target
<b>SV2.</b> Percent of fixed costs recouped by supply fee (1)	49.0%	> 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)	187	< 250	On target
<b>OP2.</b> Average duration of an unplanned interruption (minutes) (2)	38 minutes	< 60 minutes	On target
<b>OP3.</b> Energy Consumption (kW.h/kL) (2)	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)	13	< 20	On target
<b>OP6.</b> Off peak energy use (2)	73%	> 70.0%	On target
<b>OP7.</b> Operating cost per ML produced (4)	7.9% 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) (3)	16	0	Over target
<b>P3.</b> Average time lost per injury (days) (3)	22 days	< 2 days	Over 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 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.

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