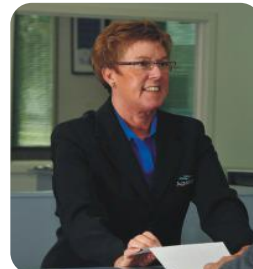




# Quarterly Report








September 2018


















## Financial Performance

	Year to date September 2018				Full Year 2017/18
	Actual (\$000's)	Budget (\$000's)	Variance (\$000's)	Last Year (\$000's)	SCI Budget (\$000's)
Total operating revenue	6,370	6,086	284	5,859	16,983
Direct operating expenses	2,198	2,493	(295)	1,960	9,970
Depreciation	647	647	0	631	2,586
<b>Earnings before interest and tax (EBIT)</b>	<b>3,525</b>	<b>2,947</b>	<b>579</b>	<b>3,268</b>	<b>4,427</b>
Interest expense	3	33	(30)	4	133
Developer contributions	14	79	(65)	118	315
<b>Operating profit before tax</b>	<b>3,536</b>	<b>2,993</b>	<b>543</b>	<b>3,382</b>	<b>4,609</b>
Income tax expense	617	421	196	649	1,683
Dividend	0	0	0	0	2,048
<b>Operating profit after tax and dividend</b>	<b>2,918</b>	<b>2,572</b>	<b>347</b>	<b>2,733</b>	<b>878</b>
Capital expenditure [2]	330	3,958	(3,628)	550	15,833
Borrowings taken (repaid) [2]	(15)	1,985	(1,985)	(14)	9,622
<b>Net debt</b>	<b>0</b>	<b>1,934</b>	<b>(1,934)</b>	<b>0</b>	<b>7,736</b>
Return on assets (%)	7.30%	7.30%	0.00%	8.17%	7.30%
Debt to equity (%)	0.00%	0.00%	0.00%	0.00%	8.70%
<b>Net accrual to Government (000's)</b>					
Tax equivalents	617	421	196	649	1683
Local Government Rates Equivalent	0	0	0	0	72
Land Tax	0	0	0	0	36
Dividends provided	0	0	0	0	2,048
Total operating subsidies	0	0	0	0	(692)
<b>Net accrual to Government</b>	<b>617</b>	<b>421</b>	<b>196</b>	<b>649</b>	<b>3,147</b>
<b>Comments:</b>					
[1] A dividend payment of \$1.953 million for the 2017/18 financial year based on 75 per cent operating profit after tax (excluding revenue from non-cash capital contributions) will be paid in December 2018.					
[2] Glen Iris Water Treatment plant construction still in procurement phase.					

## Key Result Areas

	Forecast	Target	Status
<b>Sustainability</b>			
<b>S1</b> Quantity of water produced within licensed allocation (GL)	< 7.6 GL	< 7.6 GL	
<b>S2</b> Real Water Losses (Litres/service connection/day)	< 105 L	< 105 L	
<b>S3</b> Average annual residential water supplied (kL/property)	< 270 kL	< 270 kL	
<b>S4</b> Operating cost of water supplied (kL/Connected Property)	< 2.0% increase	< 2.0% increase	
<b>Owner</b>			
<b>SV1</b> Return on Assets	> 7.5%	> 7.5%	
<b>SV2</b> Percent of fixed costs recouped by supply fee	> 45.0%	> 45.0%	
<b>SV3</b> Net debt to equity ratio	< 10.0%	< 10.0%	

	Forecast	Target	Status
<b>Customer Service</b>			
<b>CS1</b> Number of zones where microbiological compliance was achieved	100%	100%	
<b>CS2</b> Water quality complaints (per year, per 1,000 properties)	< 2	< 2	
<b>CS3</b> Water service complaints (per year, per 1,000 properties)	< 0.8	< 0.8	
<b>CS4</b> Billing and account complaints (per year, per 1000 properties)	< 2	< 2	
<b>CS5</b> Percentage of connections meeting pressure and flow requirements	100%	100%	
<b>CS6</b> Percentage of customer complaints resolved in less than 15 business days	100%	100%	
<b>Operations</b>			
<b>OP1</b> Average frequency of an unplanned interruption (per 1000 properties)	< 250	< 250	
<b>OP2</b> Average duration of an unplanned interruption (minutes)	< 60 minutes	< 60 minutes	
<b>OP3</b> Energy Consumption (kW.h/kL)	< 0.45	< 0.45	
<b>OP4</b> Properties served per km of water main	> 40	> 40	
<b>OP5</b> Water main breaks (per 100km of water main)	< 20	< 20	
<b>OP6</b> Off peak energy use	> 70.0%	> 70.0%	
<b>OP7</b> Operating cost per ML produced	< 2.0% increase	< 2.0% increase	
<b>People</b>			
<b>P1</b> Staff Attitudinal Survey Completed	Yes	Yes	
<b>P2.</b> Safety Index Measured and Monitored	Yes	Yes	
<b>Glossary</b> <ul style="list-style-type: none"> <li>• kL = kilolitres - one thousand litres</li> <li>• ML = megalitres – one million litres</li> <li>• GL = gigalitres – one thousand megalitres</li> <li>• CO2e = is an abbreviation of 'carbon dioxide equivalent' and is the internationally recognised measure of greenhouse emissions</li> <li>• kW.h = kilowatt hours - is a unit of energy equivalent to one kilowatt (1 kW) of power expended for one hour</li> <li>• n/a = not available</li> </ul>			

## Business Information

Year to September	2017	2018
Water Properties Connected - Residential	15,768	15,835
Water Properties Connected - Non-Residential	1,518	1,522
Water Produced (GL)	1.1	1.1