



# Quarterly Performance Report March 2016

**BUSSETON WATER**



# Our Key Performance Outcomes

Business Performance	As at March 2016			
	Actual Year to Date	Target	Variance	Status
<b>Customers and Other Stakeholder Outcomes</b>				
Number of complaints per 1000 customers (rolling year average)	4.48	<10	- 5.52	On Target
Complaint resolution within 15 business days	100%	>90%	10%	On Target
<b>Leadership and Governance Results</b>				
Adverse audit findings	Nil	Nil	-	On Target
<b>People Results</b>				
Number of reported hazards per month (rolling year average)	14.50	≥10	4.50	On Target
Staff participation in performance management process	100%	100%	-	On Target
<b>Operational Results</b>				
Drinking water quality compliance with health standards	100%	100%	-	On Target
Water efficiency target kL/pp/year	75.75	117	-	On Target
<b>Society Outcomes</b>				
Investment in community	\$28,990	Increasing trend	-	On Target
<b>Growth Outcomes</b>				
Dunsborough Water Supply	Submitted Nov 15	Completed 15/16	-	On Target
Busselton Waterways	Submitted Nov 15	Completed 15/16	-	On Target
<b>Comments</b>				
All results are on target.				

# Our Financial Forecast

Financial Performance	As at March 2016				
	Full Year Forecast	Actual	Budget YTD	Variance	SCI Budget
<b>Financial Results (\$m)</b>					
Operating profit before income tax	3.40	2.30	0.11	2.19	1.96
Operating profit after income tax	2.06	1.29	(0.31)	1.60	1.33
Loan principal repaid	0.25	0.18	0.18	-	0.25
Capital expenditure (incl. Capitalised Interest)	4.12	2.01	2.73	0.72	3.60
<b>Net Accruals to Government (\$'000s)</b>					
Indirect tax (payroll tax)	136.22	104.78	102.27	2.52	132.94
Income tax equivalents (NTER)	1,342.96	1,007.23	412.18	595.05	633.92
Local Government rate equivalents	53.70	-	-	-	26.77
Dividends provided	1,435.17	1,435.17	833.34	601.83	833.34
Total accruals to Government	2,968.05	2,547.18	1,347.79	1,199.39	1,626.97
Less: Payments from Governments (Operating subsidies)	527.34	199.76	199.76	-	530.74
<b>NET ACCRUALS TO GOVERNMENT</b>	<b>2,440.71</b>	<b>2,347.42</b>	<b>1,148.03</b>	<b>1,199.39</b>	<b>1,096.23</b>

## Comments

Operating Profit After Income Tax is favourable to budget due to higher than planned revenue from new connections, developer contributions and water sales. Year-to-date expenditure is tracking 6% under budget due to the timing of actual expenditure in comparison to budget phasing.

Full year forecasts for capital expenditure (\$4.12 million) are above the SCI budget (\$3.6 million) due to capital carryovers being approved by Government in November 2015. Capital expenditure, although behind on YTD expenditure budget, is tracking on target with a number of major projects to be complete in the next couple of months.

Following a profitable year in 2014-15, the Board declared a dividend payment of \$1.4 million which was \$0.6 million above budget and paid to the State Government in December 2015.

The income tax equivalent (NTER) is above budget after the third quarterly payment in March 2016. Busselton Water's tax liability is paid quarterly in direct proportion to gross income.

Forecast Local Government rate equivalents are above budget due to a revaluation which has seen the value of Busselton Water properties increase significantly.

Year-to-date and full year forecast Net Accruals to Government are well above budget due to the combined taxation and dividend results.

Overall, results are very positive at the March quarter.

Financial Performance Measures (%)	As at March 2016		
	Full Year Forecast	Target	Variance
Return on fixed assets	3.01	1.96	1.05
Return on equity	3.09	2.05	1.04
Debt to equity ratio	2.48	2.54	(0.06)
Debt to total assets ratio	2.02	2.03	(0.01)

## Comments

The debt to equity ratio and debt to total assets ratio are tracking close to target. Return on fixed assets and equity are above target due to net profit after tax being higher than forecast.