

# Quarterly Performance Report

March 2013



# Financial performance

## Financial Results (\$'000s)

	Year to Date March 2013			Last Year	Full Year 2012/13 SCI Budget
	Actual	Budget	Variance		
Operating revenue	1,463,960	1,513,889	(49,929)	1,404,964	2,017,331
Direct operating expenses	567,074	559,066	(8,008)	509,764	831,963
Depreciation / amortisation	295,440	293,148	(2,291)	267,502	389,715
Earnings before interest & tax (EBIT)	601,447	661,675	(60,228)	627,699	795,653
Net interest expense	175,056	180,504	5,448	145,131	246,633
Developers' contribution	136,926	135,343	1,583	116,684	180,457
Operating surplus before tax	563,316	616,514	(53,198)	599,252	729,477
Income tax expense	169,005	184,965	15,960	179,632	217,011
Operating surplus after tax	394,311	431,549	(37,237)	419,620	512,466
Capital expenditure	659,900	693,900	34,000	506,600	1,071,170
Borrowings taken (repaid)	124,225	139,225	15,000	70,000	580,000
Net debt	4,752,928	4,674,268	(78,660)	4,202,357	5,288,599

## Financial Performance Measures

	Full Year June 2012/13			Last Year Actual
	Forecast	Target	Variance	
Return on assets (%)	4.2	4.0	0.2	4.2
Debt to total assets (%)	33.6	34.0	0.4	31.8
Return on equity (%)	4.9	5.4	(0.5)	5.6

## Net Accruals to Government (\$m)

Represented by:

Tax equivalents	209.6	222.0	(12.4)	222.7
Dividends provided	366.1	386.0	(19.9)	396.6
Operating Subsidies				
Non-Commercial Country Services	253.5	259.0	5.5	273.5
New or Changed Operating Subsidies	38.5	32.0	(6.5)	34.3
Revenue Concessions	116.4	116.0	(0.4)	108.9
Infill Sewerage Program	28.3	35.0	6.7	33.7
Total Operating Subsidies	<b>436.7</b>	<b>443.0</b>	<b>6.3</b>	<b>450.4</b>
Net Accrual to Government	139.0	165.0	(26.0)	168.9

## Comments

Year to date operating surplus after tax is \$37.2 million less than budget largely due to lower than expected volumetric revenue.

## Business Targets & Information

### Performance Indicators

#### Our Customers and Stakeholders

	Forecast	Full Year 2012/13 Target	Status
Customer Performance Index	6.24	6.24	On Target
Perth total per capita consumption (KL)	136kl	136kl	On Target

#### Our Business

Total cost per property (\$)	1,970	1,974	On Target
Net Accruals to Government (\$m)	139.0	165.0	Attention

#### People and Culture

Safety Index	80	80	On Target
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### Business Information

	Year to Date March	
	2013	2012
Water Properties Connected - Residential	869,955	854,676
Water Properties Connected - Non-Residential	126,147	129,829 *
Water Supplied - Metro (ML)	187,159	187,147
Waste Water Treated - Metro (ML)	97,711	97,216

### Comments

All performance indicators are forecast to achieve target levels, with the exception of Net Accruals to Government (NATG).

NATG is forecast to reduce from SCI Budget expectations due to lower projected growth in volumetric revenue, partly offset by lower operating subsidies received. This projected reduction in NATG has been forecast in the Mid-Year Review provided to the Department of Treasury.

\* A fall in the number of non-residential properties occurs when land is redeveloped for residential use during the year, changing the basis of rating classification for a property from non-residential to residential.

## Operating Licence Compliance

The Water Corporation is required to comply with performance standards specified in our Operating Licence. The table below summarises our current performance against key Operating Licence targets.

Operating Licence Measures	Actual		March 2013 Target	Variance	Notes
<b>Water Services</b>					
Water pressure and flow	100.0%	≥	99.80%	0.20%	
Connections not experiencing interruptions > 1 hr	81.3%	≥	75.0%	6.30%	
Drought response (number of schemes on restrictions)	1		n/a		
Leaks and bursts per 100km of main	17.4	<	20.0	2.6	
Services provided by agreement and farmlands - annual notification of conditions	-	≥	95%	-	Reported Annually
Services provided by agreement are documented	-	≥	90%	-	Reported Annually
<b>Wastewater Services</b>					
Properties connected not affected by wastewater overflows	99.90%	≥	99.80%	0.10%	
Blockages per 100km of sewer	16.3	<	40.0	23.7	
<b>Drainage Services</b>					
Design of new urban infrastructure	-		100%	-	Reported Annually
<b>Customer Service</b>					
Responsiveness to calls to the customer enquiry '13' number within 30 seconds	73.8%	≥	70.0%	3.8%	
'13' telephone calls abandoned after 5 seconds	2.2%	≤	5.0%	2.8%	
Responsiveness to written customer complaints	100.0%	≥	90%	10.0%	

### Comments

All Operating Licence performance indicator targets were met.