



“YOUR LOCAL WATER SUPPLIER”
AQWEST

Quarterly Report – March 2021

Financial outcomes (\$'000s)

	2020/21 Budget		9 months to March 2021		
	Full Year	Actual to 31 Mar	Forecast to 30 Jun	Forecast to Budget	Last Year actual to 31 Mar
Total operating revenue (a)	16,222	13,220	16,589	367	10,772
Less: Direct operating expenses	10,485	7,137	10,484	(2)	6,616
Less: Depreciation	2,882	2,311	3,004	122	1,802
Earnings before interest, tax and developer contributions (EBIT)	2,855	3,772	3,101	247	2,354
Less: Interest expense (b)	241	115	115	(125)	13
Add: Developer contributions	259	460	616	357	134
Operating profit/(loss) before tax and dividend	2,873	4,117	3,602	729	2,475
Less: Income tax expense	986	1,070	1,099	113	831
Less: Dividend	1,840	2,110	2,110	270	1,940
Operating profit/(loss) after tax and dividend	47	937	393	346	(296)
Capital expenditure (d)	15,858	3,768	6,773	(9,085)	Not reported
Borrowings taken (repaid) (b)	12,872	(576)	(766)	(13,638)	(769)
Net debt (b)	17,253	-	-	(17,253)	(3,743)
Income tax equivalent	986	1,070	1,099	113	831
Local Government rate equivalent	83	-	84	1	-
Land tax	34	21	21	(13)	30
Dividends provided	1,840	2,110	2,110	270	1,940
Operating subsidy	(726)	(430)	(786)	(60)	(346)
Net accrual to Government	2,217	2,771	2,528	311	2,455

Financial performance indicators

	2020/21 Budget		9 months to March 2021	
	Full Year	Forecast (a)	Variance	Last Year
Return on assets (%)	5.0 %	5.0%	-	5.6 %
Funds from operations (FFO) to interest times coverage (b) (c)	13 x	40 x	27 x	not reported
Funds from operations (FFO) to debt (b) (c)	14.3 %	101.7%	87.4 %	not reported

- a) Actual for 31 March 2020 did not include accrued water consumption.
b) Borrowings no longer required due to State Government Equity contribution received of \$11.9 million.
c) Newly reported indicators in 2020/21 Statement of Corporate Intent
d) Under budget due to the timing of expenditure on the Bunbury Water Resource Recovery Scheme (BWRRS).

Performance against Strategic Priorities





Sustainability

Commitment: Permanence

Objectives

- ✓ Act in an environmentally responsible way and respond to climate change, by implementing the Environmental Sustainability Strategic Plan

Performance Measurement

	Target	Forecast	Outcome
S1. Quantity of water produced within licensed allocation (GL)	< 7.6 GL	< 7.6 GL	
S2. Real water losses (Litres/connected property/day)	< 105 L	< 105 L	
S3. Average annual residential water supplied (kL/connected property)	< 250 kL	< 250 kL	
S4. Energy from renewable sources increasing	Yes	Yes	







Customer Service

Commitment: Excellence

Objectives

- ✓ Develop and implement programs and train staff to assist customers in hardship
- ✓ Achieve excellence in the provision of service to customers
- ✓ Deliver better services through digital transformation

Performance Measurement

	Target	Forecast	Outcome
CS1. Microbiological compliance	100 %	100 %	
CS2. Water quality complaints (per year, per 1,000 properties)	< 2.0	< 2.0	
CS3. Water service complaints (per year, per 1,000 properties)	< 2.0	< 2.0	
CS4. Billing and account complaints (per year, per 1000 properties)	< 2.0	< 2.0	
CS5. Percentage of connections meeting pressure and flow requirements	100 %	100 %	
CS6. Percentage of customer complaints resolved in less than 15 business days	100 %	100 %	



People

Commitment: Development, equity and safety

Objectives

- ✓ Continue to engage stakeholders in developing and maintaining the following:
 - a) Enterprise Agreement
 - b) Strategic Workforce Plan
 - c) Equal Employment Opportunity and Diversity Plan
 - d) Staff Code of Conduct
- ✓ Maintain a safe working environment and culture
- ✓ Ensure positive working relationships with relevant unions
- ✓ Maintain ISO 45001 – Occupational health and safety certification

Performance Measurement

	Target	Forecast	Outcome
P1. Staff Attitudinal Survey completed	Yes	Yes	
P2. Safety Index measured and monitored	Yes	Yes	







Assets

Commitment: Efficiency

Objectives

- ✓ Ensure facility location, system capacity and capability are always sufficient to meet future demand
- ✓ Ensure compliance with all relevant Regulations and Statutory requirements
- ✓ Keep abreast of emerging water treatment technology and continue to invest in water production, treatment and distribution infrastructure;
- ✓ Ensure sufficient resources are available to fund the full life cycle costs of assets.

Performance Measurement

	Target	Forecast	Outcome
OP1. Average frequency of an unplanned interruption (per 1000 properties)	< 250	< 250	
OP2. Average duration of an unplanned interruption (minutes)	< 60 mins	< 60 mins	
OP3. Energy Consumption (kWh/kL)	< 0.45	< 0.45	
OP4. Properties served per km of water main	> 40	> 40	
OP5. Water main breaks (per 100km of water main)	< 20	< 20	
OP6. Off peak energy use	> 70 %	> 70 %	





Owner

Commitment: Value

Objectives

- ✓ Ensure long term financial viability of the business
- ✓ Ensure compliance with all relevant regulations and statutory requirements
- ✓ Investigate opportunities to add value to the business
- ✓ Align with Government wages policy
- ✓ Deliver an 85% dividend to the State Government annually
- ✓ Continue relationships with DWER, other Departments and GTEs to ensure a whole of government and collaborative approach
- ✓ Maintain an effective risk management system.

Performance Measurement

	Target	Forecast	Outcome
SV1. Return on assets (a)	> 7.5 %	5.0 %	
SV2. Percent of fixed costs recouped by supply fee	> 45.0 %	55.0 %	
SV3. Funds from operations (FFO) to interest times coverage	> 5 x	40 x	
SV3. Funds from operations (FFO) to debt	> 15.0 %	101.7 %	

a) Budgeted 5.0% return was already below target.



Community and Stakeholders

Commitment: Engagement

Objectives

- ✓ Remain accountable and responsive to community needs
- ✓ Develop corporate relationships through active consultation, communication and engagement with the community
- ✓ Maintain a positive public profile
- ✓ Meet all community obligations and responsibilities
- ✓ Meet all requirements of the Water Services Code of Conduct
- ✓ Hardship Policy
- ✓ Ensure procurement processes follow the State Government's Buy Local Policy
- ✓ Develop and implement a Reconciliation Action Plan

Performance Measurement

	Target	Forecast	Outcome
CE1. Develop and implement a Reconciliation Action Plan	Yes	Yes	
CE2. Develop and implement a Customer Advisory Panel	Yes	Yes	

Business information

9 months to March 2021	2021	2020	2019
Connected properties - residential	16,111	15,879	15,806
Connected properties - non-residential	1,530	1,529	1,522
Water produced (GL)	5.12	4.90	5.03